THE Freeman

IDEAS ON LIBERTY

NOVEMBER 1962

"Take One Flat of Tomato Plants . . ."	D. M. Westerholm	3
The Transfer-Payments Net	H. P. B. Jenkins	9
Principles of Taxation	Dean Russell	10
The Defamation of the American Tradition	Clarence B. Carson	13
Lost Freedom — Illusion or Fact?	John C. Sparks	23
The American System and Majority Rule	Edmund A. Opitz	28
A Modern Tea Party	Gordon Conklin	40
On Responsibility	Roger B. Cooley	41
The Social Security Program	Paul L. Poirot	45
A Miracle at Stake	Leonard E. Read	57
Books:		
A. J. N.: Man of Letters	John Chamberlain	59
Other Books		63

THE FOUNDATION
FOR ECONOMIC EDUCATION, INC.
Irvington-on-Hudson, New York

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

OUTSTANDING ADVANTAGES FOR SAVERS

COAST FEDERAL SAVINGS

JOIN the more than 100,000 savers who hold individual, joint, trust, or corporation savings accounts at Coast Federal and get these important advantages:

SAFETY—Assets over half a billion dollars—America's third largest association. Strong reserves and high ratio of cash and government bonds to assure withdrawal of savings immediately on request.

HIGHEST EARNINGS consistent with safety. Accounts opened by the 10th of the month earn from the first.

SAVE-BY-MAIL CONVENIENCE — *Airmail* postage paid both ways. Prompt, efficient service on all transactions.

MEMBER — Federal Savings and Loan Insurance Corporation, Federal Home Loan Bank.

COAST FEDERAL SAVINGS
JOE CRAIL, PRESIDENT

Coast Federal Savings, Department "H"
9th & Hill
Los Angeles 14, Calif.

(Please check-mark as desired.)

1. ☐ I enclose ☐ check, ☐ money order, to open a savings account in the following name or names:

2. ☐ Please send information on Coast Federal Savings and Loan Association.

_____

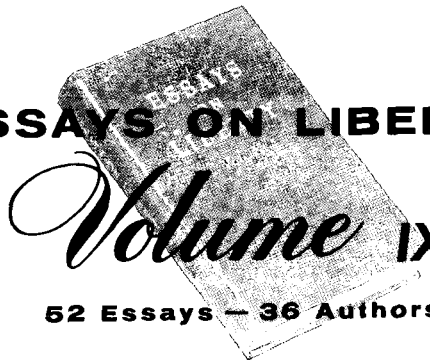
_____

Name _____

Address _____

City _____ **Zone** _____ **State** _____

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



This latest volume of the ESSAYS ON LIBERTY series (448 pages, indexed) contains selected writings from *The Freeman* and *Notes from FEE* beginning with July 1961 through May 1962.

Cloth, $3.00 **Paper, $2.00**

The Set — all 9 volumes

Cloth, $22.00 per set **Paper, $15.00 per set**

Order from: THE FOUNDATION FOR ECONOMIC EDUCATION, IRVINGTON-ON-HUDSON, NEW YORK

MEMO: To Businessmen

ENTER FEE'S 1963 BUSINESS FELLOWSHIP PROGRAM

Invite a college professor (or several) to study your business. It should improve the understanding of young men and women coming out of our colleges.

For details, write to W. M. Curtiss

THE FOUNDATION FOR ECONOMIC EDUCATION, IRVINGTON-ON-HUDSON, NEW YORK

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE Freeman

NOVEMBER 1962 Vol. 12, No. 11

LEONARD E. READ *President,* Foundation for Economic Education

PAUL L. POIROT *Managing Editor*

THE FREEMAN is published monthly by the Foundation for Economic Education, Inc., a nonpolitical, nonprofit educational champion of private property, the free market, the profit and loss system, and limited government, founded in 1946, with offices at Irvington-on-Hudson, New York. Any interested person may receive its publications for the asking. The costs of Foundation projects and services, including THE FREEMAN, are met through voluntary donations. Total expenses average $12.00 a year per person on the mailing list. Donations are invited in any amount—$5.00 to $10,000—as the means of maintaining and extending the Foundation's work.

Copyright, 1962, The Foundation for Economic Education, Inc. Printed in U.S.A.

Additional copies, postpaid, to one address: Single copy, 50 cents; 3 for $1.00; 25 or more, 20 cents each.

Permission is hereby granted to anyone to reprint any article in whole or in part, providing customary credit is given, except "A Modern Tea Party."

Any current article will be supplied in reprint form if there are enough inquiries to justify the cost of the printing.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

D. M. WESTERHOLM

"Take One Flat of Tomato Plants--"

IF TELEVISION, newspaper, and radio comments have caused your youngster to ask occasional highly embarrassing questions about such assorted small gems as price support programs, parities, subsidies, and surplus commodities, I would first like to extend a sympathetic welcome to the Puzzled Parents Club. And then I'd like to tell you about a wonderful little tomato-patch.

Now, maybe you have had better luck than we had in answering "What's a parity?" by words alone – in which case your membership in the P.P.C. is hereby cancelled! We ruefully discovered that quotations from the dictionary and long explanatory chats just weren't getting us anywhere except into further confusion.

For one thing, it is mighty difficult to give a calm, clear explanation of a process about which you feel anything but calm; and secondly, this whole subject of agricultural price control is an untidy mixture of both physical and intangible factors, some of which can be explained to a child by using familiar examples, and some of which cannot. Finally, you don't easily explain just one part of an octopus. The establishment of a parity leads to a price control, which leads to crop control, which leads to a subsidy, which often leads to a surplus, which has to be stored; all of which increases government spending and debt, which increases inflation, which influences the original parity – and brings us right back to the P.P.C.!

We wrote for help to an uncle who has been a ruggedly independent, modestly successful farmer for some fifty years. We suspected just a touch of sarcasm

Mrs. Westerholm is a Registered Nurse, housewife, and student of liberty of Inglewood, California.

Illustration: A. Devaney, Inc., New York

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

when his answering letter opened with: "Can't be much help to you right now, since I'm smack in the middle of setting out my last crop of summer subsidies; but when I finish up – at parity, naturally – I'll sit down and write you all about it. In triplicate copies, of course. In the meantime, if you're tired of sanity, try farming. . . ."

We chuckled in appreciation of his wit, but then took a second reading and saw part of a real answer peeping out of the sarcasm. We had a fair-sized back yard, and an empty bulb-bed that was lying fallow for the summer; so we'd just follow that snide advice about farming – on a miniature scale.

Our ten-year-old son thought it a great idea to have his own garden plot, together with the proceeds thereof, and cheerfully agreed to follow whatever rules and regulations we might set up. After much serious study he decided upon a crop of tomatoes. The local nurseryman was happy to supply him with a flat of brave young plants – following due crossing of palms with silver – and even gave him helpful detailed advice about their planting and care. (I had offered the lad an agricultural loan, at a modest 4½ per cent interest, but the little tight-wad had saved enough out of his spring chore money to cancel out *that* potential lesson in economics!)

The next morning, with a light heart and a long hoe, he started industriously preparing the bed which would grow the tomatoes, which he would sell to the neighbors, for money which would purchase the new baseball mitt – which as far as he was concerned was the real reason for this crazy little tomato-patch, anyway. Perfectly simple and logical. And about two blisters and one sunburned nose later, he was ready to start setting in the plants. Obviously, the time had come. So out we went, and called for a Rules and Regulations Recess.

Subsidized Acreage Control

Right there in the warm sensible sunlight, we proceeded to explain that our neighborhood could be reasonably expected to consume only a certain quantity of tomatoes. Now, if too many tomatoes were produced in the neighborhood, he would have to sell his tomatoes at a lower price, in order to entice people to buy his instead of someone else's. This in turn would force the other tomato-growers to lower *their* prices to compete with *him* – the same grade tomatoes having little individually to recommend them to the buyer, other than price. If these prices went low enough, some of the tomato-growers might actually lose money. Since we didn't want

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

such a catastrophe to occur, we could permit him to plant only a certain portion of his "acreage" in tomatoes. We call this *crop control.*

(We carefully staked off the last three feet of the bed.) However, being a benevolent "government agency," we would pay him in cash for this portion of his crop which we were not allowing him to plant.

(We solemnly handed him three one-dollar bills.) And this, we informed our amazed son, was what was known as a *subsidy.*

He looked at us. He looked at the staked-off part of the bed. He looked at the three crisp bills in his grimy hand. Finally he ventured, "O.K. So you're the government agent, and you don't want too many tomatoes grown; but it wouldn't be fair to make me just give up part of my own crop for *free* — so you pay me for it. Right?"

"That is reasonably correct," we confirmed.

"And that's what a *subsidy* is?"

"In essence, yes; although it's not done quite as directly as this. A subsidy is simply a grant of money."

"Well, it doesn't make much sense to me!" he stated.

"How true," we murmured.

He went back to work, carefully setting each tiny green plant in place and pressing the rich soil firmly around the tender roots. While he worked, we talked. He asked how the money to pay these subsidies was obtained; and the answer, that it came from all of us by way of taxes, was received in thoughtful silence. A few more plants went in, and after a long look at the marked bed, he had another question. How had we decided how much of his patch to stake off; and how much to pay for it?

Statistical Complications

We admitted that for the sake of example we had just guessed at his three-foot area, and three-dollar subsidy; but that the actual government employed many trained experts who arrived at the various figures concerning the different commodities and localities involved. They too made guesses, but much more educated ones than ours — based on population, previous annual consumption rates (clear back to 1910!), rainfall figures, long-range weather predictions, present market trends, and so on. Then they correlated all of this agricultural data with the statistical records regarding national average industrial wages, cost-of-living estimates, and current purchasing power of the dollar. By manipulating these two sets of figures carefully, they arrive at a final total price which is supposed to equalize the pay-per-hour of the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

farmer to that of the industrial worker. This final figure is what we call *parity*.

Ideally, if all the educated guesses were correct, there would be just enough tomatoes grown to fill the actual demand; and the prices received by the farmers would total out at the end of the year to yield them as much pay per hour as industrial workers received. (Based on a purchasing power ratio established during the 1910 [1909-1914] period.)

In short, *parity* literally means *equality;* so to achieve parity, you juggle predicted production and predicted consumption – and balance the difference with subsidies.

"Does it work?" asked my bright-eyed son of the soil.

"Well, now that you mention it – no." we replied.

"Oh *brother!*" he moaned. "Let's go have lunch!"

And so we did.

The days passed, the sun shone, the weeds were routed, the water flowed, and the plants grew. The stakes were set, and cord support-lines were strung. Everywhere except on that starkly bare, rather reproachful last three feet. As the plants grew, so did the talking. "The Cat" opined that since there are so many different crops grown – not just tomatoes – it must take an awful lot of experts to figure out all of those different parity prices every year. We agreed. He pursued the thought that this involved an awful lot of salaries, and since these were government salaries, that meant that they were paid for out of taxes from everybody – not just farmers. We agreed. He concluded musingly that this somehow didn't seem altogether fair. Again we agreed.

Surplus Commodities

The plants grew so well, and so thick (perhaps because he had set all the seedlings out in less space than they were intended to fill), that he had to start thinning them. It is not a pleasant task to destroy something you have nurtured and protected and assisted to attain growth; but he did the job efficiently, knowing that all of the plants would suffer if not enough space were provided for growth expansion and sun penetration. As he discarded the extra plants, he gave many a glance of pure disgust at that bare, wasted end-section! And then another possibility occurred to him. What if these plants grew *more* tomatoes than the experts had figured? How could the parity be maintained *then*?

Ah, yes, a good question. "Too much" is called *surplus*. "Products" are called *commodities*. Put them together and you have another one of those original terms

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

with which we were so plagued — the *surplus commodity*.

What can one do with too many tomatoes? If they go on the open market, prices will automatically drop — following the old and irrevocable law of supply and demand. But if prices drop, it would also put those final profit figures at the end of the year at some point lower than established parity. And according to the experts, if parity is *not* maintained, farmers won't have enough money to buy the stuff the city industrial workers make; and if the industrial workers can't sell enough of *their* products to make enough money to buy *farm* produce, why everybody will go broke — and *that's* called a *depression*.

Now, the government could buy the extra tomatoes. But then they must either destroy the tomatoes, which is virtually the same as simply destroying the public funds with which they were purchased; or they must be processed and stored, which is quite an expensive little procedure in itself, when accomplished on a national scale! An alternative would be to apply a price control; but this would leave the farmer still holding all those extra tomatoes — because the public will purchase *extra* amounts of a product only if the prices are *low* enough to be particularly tempting. So, the government would have to supply some form of additional subsidy to bring that annual farm profit up to the parity level, anyway. No matter how you figure it, it is going to cost money; which means either increased taxes or increased national debt — which will increase inflation.

The Point Sinks Home

It took quite a bit of digesting to get this all assimilated; but bless his heart, he managed it. "But, wait a minute! If you pay me more money for my surplus tomatoes, I'm just going to have to pay it right back by a bigger tax on the money I make. Right? So, I still won't have gotten up to parity, because I won't really end up with any more money to *spend!*"

"That's almost the way of it, son. But to take it all the way, you must remember that these subsidies are paid for from public funds, and will have to be replaced by taxing everyone — not just the tomato-growers."

He pondered this for awhile, and then came up with a rather neatly thought-out solution. "Seems to me that everybody would be better off if they just quit using all those experts, forgot about parity, let me grow my tomatoes like I want to, and left it up to me to take care of my own extra tomatoes. Gee whiz! Nobody *made* me grow too many! And look at

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

all the money the government would save. They could maybe lower everybody's taxes, and that way we'd all have more to spend."

"Sounds fairly sensible," we agreed, "but, what if you went broke some season?"

"Well, geeeee! *Everybody* takes *chances* – on losing a league game, or going out of business, or breaking a leg – or growing too many tomatoes. That's just the way the little old cup-cake crumbles! Maybe you can't win 'em all. You just do your best." And with that, he went back to work tying up his vines. And I went into the house and started cheerfully reviewing recipes for tomato relish!

All of this is why I spoke at the start about a wonderful little tomato-patch. Of course, it hasn't taught our son nearly all there is to know about this one lone phase of economics; but he has a much better understanding than he had previously – and so do we. We hope this understanding may be helpful to him in the years to come. One commodity of which we never have a surplus is knowledge!

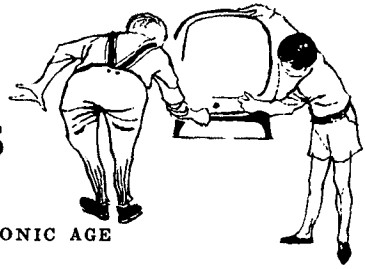
Right now, we are all up to our eyebrows in tomatoes. Even the three-year-old is doing her gallant small best to help Brother with his surplus! The neighbors are inundated in a flood of juicy plump red globes. But when anybody says anything about the incomprehensibility of agricultural support programs, we just grin and say: "Look – first you take one flat of tomato plants. . . ." ◈

Old Saw Revised

Before events the economy churned
a penny saved was a penny earned –
but now inflation's made its dent:
that penny's worth but half a cent.

JIM MCGOLDRICK

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



THE TRANSFER-PAYMENTS NET

or — FISCAL EDUCATION IN THE ELECTRONIC AGE

When gusty winds had herded clouds
Across the setting sun,
Old Kaspar turned the fire up
And oiled his rabbit gun,
While Peterkin and Wilhelmine
Warmed up the allegoric screen.

They watched a giant trailer truck
That stood with flashing lights
Amid a snarling traffic jam
And people locked in fights,
Until a thousand folks or more
Went in and out the trailer's door.

"What's going on inside that door?"
The little children cried.
"They run a Net Computer there,"
Old Kaspar soon replied.
"It shows how much your neighbors give
Toward the wealth on which you live."

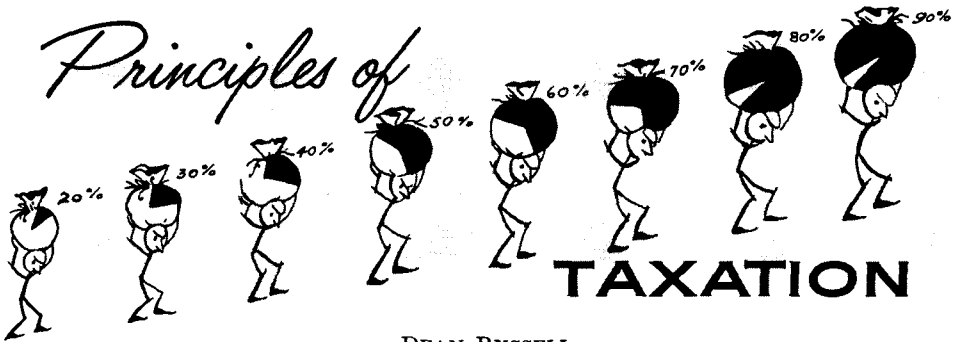
"For many years," said Kaspar then,
"A lot of folks have tried
To live on economic wealth
Their neighbors would provide.
They've sought to win a life of ease
By voting grants and subsidies."

"What's made them mad," asked Peterkin,
"And started all the fights?"
"They're feeling underprivileged
And cheated of their rights.
When that computer shows their net,
Their taxes top the sums they get."

"I think it's mean," cried Wilhelmine,
"To make those people fight!"
"A few contusions," Kaspar smiled,
"May help them see the light.
When they cool down, they may have learned
That wealth is sweetest when it's earned."

H. P. B. JENKINS
Economist, Fayetteville, Arkansas

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



DEAN RUSSELL

COMPULSORY military service in our nation is based squarely on the democratic principle that every person is obligated to serve his country equally and to the best of his ability. We American people would not tolerate the idea that one soldier should be compelled to serve ten times longer than another soldier merely because the first one happened to be a better gunner.

But when it comes to economic support for our government and nation, that principle of equal treatment is rejected. Our system of progressive taxation is based squarely on the idea that some persons shall pay 70 per cent of their incomes while other persons shall pay only 20 per cent, or even no income tax at all. The more you earn, the more you must pay to government out of each additional dollar of income.

Whether or not I like the idea of compulsory military service, at least I can understand the principle on which it is based; for the idea of equal treatment is, of course, the heart of the democratic concept. But I cannot find any principle in morality, economics, or political science to justify the progressive income tax.

Economically, it is about as logical as paying half-time (instead of time-and-a-half) for overtime work. Or paying less instead of more for increased production.

Morally, the progressive income tax seems to be based mostly on this idea: "They earn more money than we do, we outnumber them, so let's vote to have the government take it."

Politically, our current procedure is clearly a total departure from the principle of taxation on which this nation was founded.

There is, however, a theory and practice of taxation that is in harmony with democratic princi-

Dr. Russell recently rejoined the staff of the Foundation for Economic Education to develop and direct the FEE School of Political Economy.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ples and that will still raise the enormous amounts of money our government now spends. It is proportional taxation. That is, each person shall pay the same rate – 10 per cent, 20 per cent, 30 per cent, or whatever tax rate the people vote for. The democratically selected rate shall apply equally to all incomes, whether large or small. If the tax rate were 20 per cent, for example, the person with a taxable income of $100,000 would pay $20,000 – and the person with a taxable income of $5,000 would pay $1,000.

Under proportional taxation, it is true, of course, that the rich man would still pay more money than the poor man. But at any rate, each would then receive equal treatment under the law, in both war and peace. That is, each conscript would serve the same time in the army, regardless of military ability; and each taxpayer would be subject to the same rate of taxation, regardless of economic ability.

Actually, proportional taxation is traditionally American. While the principle of absolute equality has sometimes prevailed, the "equality of rate" or proportional principle has usually been followed. Taxes on real and personal property are current examples. The person with a $20,000 home pays twice as much in taxes as does the person with a $10,000 home – not five or six times as much merely because he owns more property than his neighbor. Sales taxes are also in proportion to purchases. The social security tax is a combination of equal and proportional. The tariff tax has always been in proportion to the amount imported. And so on.

Graduated Rates — A New Principle in Taxation

But with the adoption of the Sixteenth Amendment in 1913, a heavily discriminatory system of taxation was accepted by the American people. Some persons now pay no income tax at all on their earnings. Others pay 20 per cent and 40 per cent. And a few pay as much as 91 per cent on the upper brackets of their earnings.

Since discrimination in any area usually brings with it certain unforeseen problems, it is hardly surprising that this tax discrimination has produced certain unfortunate results. For the long run, certainly the most unfortunate result is revealed by the accusation of officials of the Bureau of Internal Revenue (as well as by at least two Presidents of the United States) that we American people are increasingly becoming tax crooks. That's why they advocate that the tax on interest and dividend income, along with wages and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

salaries, should be withheld at the source. That's why special machines are now being designed to catch the millions of us who, it is claimed, are cheating on our tax returns.

If it is true that we are rapidly degenerating into a nation of lawbreakers, perhaps we should examine again the laws we violate so flagrantly. Perhaps we should give serious thought to the old idea that the only possible way to insure respect for the law is to pass only laws that receive the automatic respect and compliance of more than 95 per cent of the people. For obviously, no law is really enforceable if as many as 5 per cent of us deliberately and consistently violate it; there just aren't enough jails to keep us in, or enough police to put us there.

Several reputable economists have argued that a flat tax rate of 20 per cent to 25 per cent would bring more, not less, revenue to government. They argue that almost all of the money now taxed away above that rate would be invested in new equipment and plants, instead of being spent for nonproductive items as is done by government. Thus if the persons who earn the money could spend it as they wish, the result would be more production, jobs, and incomes – and also more tax revenue.

Be that as it may, it is a fact that the amount of total governmental revenue that comes from personal income taxes in excess of 25 per cent of earnings is small indeed – less than 5 per cent. Thus it is clear that the principle behind our endorsement of the progressive features of the income tax is not based on the necessity for governmental income. The progressive income tax appears to be based primarily on our current and increasing mania for compulsory equality in the economic area. Thus we use our hard-won voting equality (one man, one vote) to support a system of gross inequality in taxation (one man 20 per cent, another man 91 per cent).

The issue facing the American people in this area of progressive taxation is clearly not fiscal; it is a moral issue. ◈

IDEAS ON LIBERTY

John Stuart Mill

IT IS ALSO IMPORTANT that the assembly which votes the taxes, either general or local, should be elected exclusively by those who pay something for the taxes imposed. Those who pay no taxes, disposing by their vote of other people's money, have every motive to be lavish and none to economize.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE DEFAMATION OF THE AMERICAN TRADITION

CLARENCE B. CARSON

MANY OF THE DEPARTURES from the American tradition came with dramatic swiftness in this century. A Rip Van Winkle who went to sleep in 1910 and woke again in 1935 would have discovered many of his fellow citizens strangely dependent upon government, the Constitution in many ways inoperative and grumblings about such restraints as it still imposed, numerous laws of a character with which he was unfamiliar, and a tendency to venerate leaders and to belabor those who appealed to the past. Surely, he would have concluded that a revolution had taken place, or that he had awakened in the midst of a revolution. At the least, assuming that he was a perceptive man and not too circumspect in his pronouncements, he would have declared that the American tradition had been subverted.

Dr. Carson is Professor of American History at Grove City College, Pennsylvania.

If such a modern Rip Van Winkle had launched inquiries to discover the sources of these changes, he might not have been satisfied with the answers he received. Undoubtedly, most of those whom he contacted would have pointed out, impatiently, that conditions had changed, that there had been war and depression, that the old opportunities were no longer available. Had he insisted upon knowing what happened to American ideals, institutions, customs, and traditions, he would probably have been dismissed as an odd fellow who could not adjust to new times and new ways.

Yet my imaginary character is not too different from a good many Americans of the recent past and today. Awaking from their private concerns and indifference (sleep), they are discovering a transformed America with mounting tendencies at odds with the tradition that they had known. One of our con-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

cerns in this condition, understandably, is to find out what happened.

The most appealing – and in some ways most comfortable – explanation is that the tradition was undermined, destroyed, and replaced by alien infiltration and communist subversion. Some historians dismiss this conception cavalierly by calling it the conspiracy theory of history – implying somehow that such a notion is disreputable on the face of it. Unquestionably, there has been and is a communist conspiracy. It is demonstrable, too, that many ideas of non-American origin have been propagated here. But such explanations attribute too much effectiveness to communists and fail to account adequately for the massive help they have had from noncommunists. It glosses over, too, the really difficult task of recovering liberty and individualism, for it ignores how deeply enmeshed in thought and ways collectivism has become.

Discredited by Scholars

My contention is that much of the work of subverting – I use the word in the rare sense of "to undermine the principles of; corrupt" – the American tradition was carried on by "respectable" thinkers, writers, and scholars. I attribute to them no evil motives nor covert design, for much of their work was presented openly and argued directly. Indeed, some of those who prepared the way for collectivism in America apparently had no intention of nor knowledge that they were doing so. The effect of an action, however, is not altered by the intent of the actor.

Before the American tradition was replaced, it was discredited. Odium was attached to it, and feelings were marshaled against it. This was no easy task to accomplish. There is every reason to believe that at the beginning of this century Americans at large were firmly attached to constitutionalism, government by law rather than by men, individual liberty, voluntary group activity, limited government, and personal independence.

Yet, "American" became a tainted word for many people in the course of time. Several years ago, Karl Shapiro, writing in *The New Republic*, referred to the "American way of life" as a "nauseating expression" which meant to him "the material life, the worship of the scientific mentality, and the belief that Americans are the best people on earth." A single instance of lynching is apt to call forth denunciations of the "American" penchant for swift and violent justice. Should a board of censors fail to license some obscene

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

movie, it would be just another horrendous example of that latent Puritanism in America which has reared its ugly head once more. If a businessman were to question spending for foreign aid, he might find himself used as an example of that *bête noire* of the "liberals" – the selfishly acquisitive American who stems in a long line from that vulgar preacher of penuriousness, Benjamin Franklin. "Americanism" is sealed off by quotation marks from too close a contact with it by the *cognoscenti,* who might otherwise be contaminated.

Why, it is proper to ask, should an expression such as the "American way of life" be distasteful to any American? Why should "Americanism" be used to refer to the failings of some Americans? Why should we have to flinch when we encounter the word American, fearing from experience the denunciation of the "Ugly American" that will follow?

Let us admit that some individuals have used Americanism as a cover for unwise and wrongful acts on occasion. Grant, too, that Americans taken one with another have many faults. But why should the vices of Americans be that which is conveyed by "American"? Is the summary lynching of law violators more American than trial by jury? Surely, censorship is less central to our tradition than is the liberty to publish our thoughts and opinions. Voluntary choice of church membership is more certainly a part of the "American way of life" than is scientism. Constitutionalism is much more deeply American than is materialism. The Constitution-makers took great care to guard the individual against falling prey to the bent of his neighbors to force him into conformity. Charity, both individual and organizational, is as much American as is acquisitiveness. Why then, in all fairness, does "American" not call to mind virtues as well as vices?

Literary Denigration

The major reason is rather clear to me. There was a large-scale assault upon the American tradition carried out earlier in this century. Probably the most direct attack was carried on in literature – in stories and essays, but denigration appeared more subtly in philosophy, history, political science, and theology. But the point can be made by calling attention mainly to what went on in that field known technically as literature. The heyday of this defamation came in the 1920's, though some came before and after.

H. L. Mencken, the sage of Baltimore, was likely the most uninhibited of the defamers in the 1920's. He not only pointed up the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

vices and failings of Americans, but he identified them with the American tradition. In the fourth volume of his vigorous *Prejudices,* Mencken asks: "What, then, is the spirit of Americanism? I precipitate it conveniently into the doctrine that the way to ascertain the truth about anything . . . is to take a vote on it, and that the way to propagate that truth . . . is with a club. This doctrine . . . explains almost everything that is indubitably American, and particularly everything American that is most puzzling to men of older and less inspired cultures. . . ."

Of Puritanism, Mencken claimed, "There is only one honest impulse at the bottom of Puritanism, and that is the impulse to punish the man with a superior capacity for happiness – to bring him down to the miserable level of 'good' men, i.e., of stupid, cowardly, and chronically unhappy men." "New England," he declares, "has never shown the slightest sign of genuine enthusiasm for ideas. It began its history as a slaughterhouse of ideas, and it is today not easily distinguishable from a cold-storage plant."

Mencken expressed an undisguised contempt for those who settled America and gave it its basic culture. "What are the characters that I discern most clearly in the so-called Anglo-Saxon type of man? I may answer at once that two stick out above all others. One is the curious and apparently incurable incompetence – his congenital inability to do any difficult thing easily and well. . . . The other is his astounding susceptibility to fears and alarms – in short, his hereditary cowardice." Even free inquiry would appear to be a wholly non-American thing. "Thus the battle of ideas in the United States is largely carried on under strange flags, and even the stray natives on the side of free inquiry have to sacrifice some of their nationality when they enlist."

As for religion, "the average American is a prude and a Methodist under his skin. . . . Save in a few large cities, every American community lies under a sacerdotal despotism whose devices are disingenuous and dishonourable. . . ." The *Boobus americanus* is taught by "oafs from the farms and villages of Iowa, Kansas, Vermont, the Dakotas, and other such backward states. . . ."

Few could match Mencken in the pithiness of his language, but others shared his scorn for things American. Frederick L. Allen may have penned the classic statement of the position in his ever-popular book, *Only Yesterday,* first published in 1931. "The typical American of the old stock," he says,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"had never had more than a half-hearted enthusiasm for the rights of the minority; bred in a pioneer tradition, he had been accustomed to set his community in order by the first means that came to hand – a sumptuary law, a vigilance committee, or if necessary a shotgun." Van Wyck Brooks, long-time chieftain of literary critics, calls the "traditional drag" of our culture "the main fact of American history" – writing in 1922. "If our writers wither early," he said, "if they are too generally pliant, passive, acquiescent, anaemic, how much is this not due to the heritage of pioneering, with its burden of isolation, nervous strain, excessive work, and all the racial habits that these have engendered?"

Sinclair Lewis, a champion deflater of the American ego, contributes this description of what he considered to be the most typical American – the businessman, a Mr. Jones. (Although this is taken from an introduction to *Babbitt* that was not published at the time, it is just the sense of what was told dramatically in the novel.) "Mr. Jones himself . . . votes the Republican ticket straight, he hates all labor unionism, he belongs to the Masons and the Presbyterian Church, his favorite author is Zane Grey, and in other particulars noted in this story, his private life seems scarce to mark him as the rough, ready, aspiring, iconoclastic, creative, courageous innovator his admirers paint him. He is a bagman. He is a pedlar. He is a shopkeeper. He is a camp-follower. He is a bag of aggressive wind."

George F. Nieberg almost achieved a Mencken pitch in his description of the American in an article in *The Forum* published in 1931. "I lean toward the heresy that the typical American citizen is, at best, an unpleasant go-getter, a professional back-slapper going through his dumb-show always a bit fearful of his job, of what people will say, of his wife – and of himself. To this heresy I will add another: that it is impossible for him to live like a civilized man, as it is impossible for him to die like one." More, "his blind, unwavering faith in 'success' stories, patent medicines, political platforms, his bootlegger's word of honor, and his boss's stupidity borders upon fanatical fervor."

Robert Herrick, in 1931, said that there "have been many instances . . . of American brutality, American tyranny, American intolerance, which have reverberated around the world." Katherine F. Gerould published an article in *Harper's* in the same year, in which she associated Americanism with gangsterism, in an attempt to explain the alleged popu-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

larity of Al Capone. "It is not because Capone is different that he takes the imagination: it is because he is so gorgeously and typically American. . . . Of course he was born in this country: could anyone but a native American have adopted so whole-heartedly American principles of action? An immigrant would have taken years to assimilate our ideals; whereas Capone was born to them. . . . There are analogies for Al Capone among the American immortals."

Writers left hardly an aspect of American behavior undenounced. In a volume of diatribes on American life published as *Civilization in the United States*, Elsie Clews Parsons attacks our sex mores. She claimed that "the lack of warmth in personal intercourse which makes alike for American bad manners and, in the more intellectual circles, for cheerlessness and aridity is due . . . to failure of one kind or another in sex relations." This failure she ascribes to the "confusion between parenthood and mating," which she says the French handle admirably. It should be pointed out that these critics frequently compared Americans unfavorably with Europeans.

In 1931 a book called *Behold America* was published containing the most thoroughgoing assaults upon the tradition. In this book, most of the essays were obviously animated by a socialist or communist ideology. I cite them as extremes of what was a general tendency of defamation. One writer says, "The United States is not peaceful: its very geographic existence and its expansion in temperate North America is the result of a consistent policy of the slaughter of weaker peoples . . . and the expropriation of their property." V. F. Calverton declares: "Unfortunately, however — *and if there is any single explanation of why America has had no great writers to compare with those of Europe, this is it* — no traditions in America have ever been very genuine or very original, and never very long-lived. . . ."

The above are but a sample of the defamations of the American tradition. In the article alluded to earlier by Karl Shapiro he inadvertently gives part of the explanation of why the "American way of life" should be a "nauseating" expression to him. Calling up the names of the major American poets of the twentieth century, Shapiro points up how they were "anti-American-way-of-life." Of T. S. Eliot, he says: "His entire literary output constitutes a condemnation of American materialism, economic greed, and cultural vacuity." Ezra Pound "is the most scurrilous critic of American life in the twentieth century." Edgar

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Lee Masters "laments the corruption of pioneer stock and the hypocrisy of smalltown American life." Robinson Jeffers is described as "chief of the self-avowed enemies of American society and civilization. His attacks on American materialism and the American savagery of character have become synonymous with his poetry." The list is longer, but the point emerges: American poets heaped abuse on their country.

As to the major novelists of the 1920's, Henry S. Canby calls attention to the "dogged discontent of Ernest Hemingway, the mystic morbid discontent of William Faulkner, the strong lyric discontent of Willa Cather, the sharp scoffing discontent of Sinclair Lewis. . . ." He points out that he could easily extend the characterizations to the major dramatists. But we are all too aware of the continued vulture-like dissecting of America that still goes on among popular dramatists.

A Diversity of Objectives

If destruction of belief in the American tradition was their aim, writers had done their work well. They had portrayed the tradition as one of narrow-minded Puritanism, of low caste Anglo-Saxons, of intolerant busybodies, of rural oafs and hayseeds, and of vulgar democrats. Whatever was good and worthwhile must surely have been sneaked in somehow from foreign lands. Nothing properly denotable as the American tradition could be worth preserving or even examining.

Judging from what they said, these writers were moved to this denigration by diverse aims. Some of them were unhappy about the unenthusiastic reception accorded to artists and the arts in America. Others wanted to awaken their countrymen to a more sensitive appreciation of "higher things." Socialists and communists were undoubtedly trying to arouse social-consciousness and prepare the ground for their ideas. Besides, it has been fashionable in literary circles for some time now to discover decay and disorder everywhere, and to describe it in lurid detail.

The importance of this defamation lies, however, not in the motives of those who did it but in its general impact upon Americans. H. L. Mencken, for instance, had no other national loyalty than to America, if he had that. In his mellower moods he expressed admiration for the Constitution and the Founding Fathers. But bread cast upon the waters may return in strange ways, for once the tradition had been undermined the reason for which it had been done could become separated from it.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Once a writer's words are published he loses control over the uses to which they may be put.

Nor was it their numbers that gave these literary denigrators so much import. Their importance stems rather from the role of writers in modern society. Literature is the vehicle for public memories, the means by which ideas are usually spread, the device by which many creative men present their visions, the source of many of our mental images and conceptions. One may go to a play only to be entertained, but carry away with him a residue of notions which the author has implanted in his drama. "Smart" people imitate the proclaimed leaders; those who would profess to be "in-the-know" spread the ideas.

Assault in Depth

Literature can be, and often is, the means for the expression of the noblest ideas men have held, the vehicle for preserving and continuing the heritage of a people, the source of the epigrams by which people carry with them their stout beliefs. But it may also be used to undermine the tradition, to defame the heritage, to erode away the faith of a people, and to blacken the reputations of those who would uphold them. Many who were reckoned to be great writers performed this destructive task in the 1920's. The rust of their doubt entered into the iron of our tradition and continued to weaken and immobilize it long after the writers modified their assault.[1]

Fully to appreciate the sweep of the assault it must be viewed as coupled with a much more subtle and broader attack. Philosophers such as William James and John Dewey worked to undermine the belief in a fixed reality. As they succeeded, the belief in natural law which had been at the heart of the American tradition crumbled. Frederick Jackson Turner, the historian, emphasized the changing and pragmatic character of American historical development. J. Allen Smith and Charles A. Beard took positions which helped to discredit the American Constitution. Biographers "debunked" men who had been heroes to earlier Americans. Justices Oliver Wendell Holmes and Louis D. Brandeis emphasized the evolutionary character of law and the importance of changing conditions.

The climax of the defamation of the American tradition—coming

[1] It should be made clear that all criticism is not of this character. "Constructive" criticism—that which criticizes practices which fall short of the ideal—can have a salutary effect in preserving a tradition. But the criticism to which I have called attention was destructive—undermining the traditions and ideals themselves.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

as it did in the 1920's and early 1930's – could hardly have been timed to achieve greater effect. It just preceded a convulsive and revolutionary period in world history. The United States – and much of the rest of the world – was hit at about this time with a lengthy and debilitating depression, and was shortly plunged into the international disorder of the late 1930's and 1940's. In other words, it was a time of trial and of searching for something firm amidst swift and unexpected change.

Traditions could have cushioned our fall and buoyed us up in crisis. They might have steadied and reassured us when trouble came. Herbert Hoover tried, for example, to direct Americans to the faith of their fathers, to the virtues of individual initiative, to the morality of private charity, but his dress reminded one of the despised Puritan, he talked too much the "hypocritical" language of rugged individualism and exuded the odor of the discredited businessman and materialism. Casting about for a faith in their time of troubles, Americans were loathe to take up a soiled tradition.

They found a faith, however, faith in men rather than law, faith in government rather than personal independence, faith in groups and collectives rather than the resolute individual. This was no accident, and the full import of the defamation is revealed in what was substituted for the American tradition. Reformers had for many years been spreading their ideas about "positive" governmental action, about the need for leaders, about the necessity for governmental action. They may have made little impact during most of the 1920's, but their efforts were intensified once the depression came, reviving hope for the acceptance of their ideas. The following titles published in the crucial years just before 1933 suggest the tenor of this material: Charles A. Beard, "The Rationality of Planned Economy," *America Faces the Future*, published in 1932; Rexford G. Tugwell, "The Principle of Planning and the Institution of Laissez-Faire," *American Economic Review*, March 1932; Stuart Chase, *A New Deal*, 1932; J. A. Hobson, *Poverty in Plenty*, 1931; Chester Davis, "Toward Planned Harvests," *Review of Reviews*, 1933; H. L. Hopkins, "The War on Distress," *Today*, 1933; and many others.

Fellow Travelers

Back of the above material lies another phenomenon of considerable moment. At the very time that the American tradition was being shattered by defamers, American travelers were giving glowing re-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

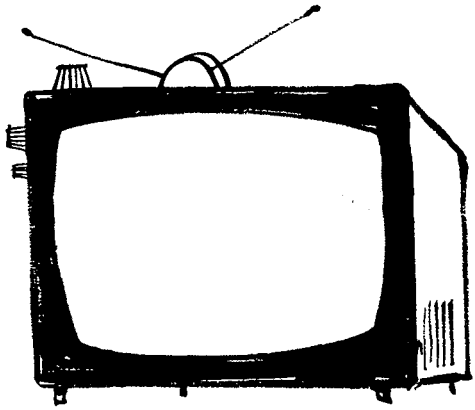
ports of another kind of society. In a recent issue (Summer 1962) of *American Quarterly* – a scholarly publication with no apparent axes to grind – Lewis S. Feuer tells of "American Travelers to the Soviet Union 1917-32: The Formation of a Component of New Deal Ideology."

By 1932, according to Feuer, the leaders in pragmatic thought had come "to regard the Soviet Union as a model of the experimental method in social practice. The whole conception of a 'social experiment,' the whole notion of planned human intervention into social processes to raise the welfare of the people, had become linked in the minds of America's intellectual and social leaders with the practice of the Soviet Union." This linkage he ascribes to the "work of a small number of several hundreds of travelers to the Soviet Union during the previous decade." Among those so enthralled were Rexford G. Tugwell, Paul Douglas, Stuart Chase, Jane Addams, Robert M. LaFollette, W. E. B. DuBois, and Sidney Hillman, among others. Mr. Feuer supports his statements with references to the published writings of these "travelers," along with illuminating quotations.

Some of the processes of social change in this century emerge from the above facts and generalizations. The defamation of the American tradition preceded and prepared the way for the abandonment of much of that tradition. The subversion of American ways was not so much the work of some secret conspiracy as it was the result of open assaults. Whatever the intention of denigrators, they had set the stage for reformers who wished to change the character of American society. Many of the changes came swiftly – as in the "Hundred Days" of the New Deal, but they were made possible by years of work preceding them.

Those who are concerned today in the recovery and revitalization of the central American tradition should be better fitted for the task by knowing how it was undermined. It has not been uncommon to interpret the departure from the American tradition in the 1930's as a consequence of its failure in its hour of trial. Yet in view of the above evidence, we may doubt whether the established American ways were tried very vigorously or shunted aside as already discredited. At any rate, in view of the large-scale defamation that took place, the revival of the American tradition will require the rehabilitation of its premises one by one, each examined on its own merits and supported by deep thought and massive evidence. ◈

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



JOHN C. SPARKS

SOME MONTHS AGO, one of the network telecasting companies originated a special program to depict a current issue of importance to the nation. Its announced objective was to seek out the truth for the edification and better understanding of the American public, at least those viewing the program. Unfortunately, the method of approach was similar to that used in debates – trying to confound the opposition rather than enlighten the audience. A prominent conservative was interviewed. Each question was posed so as to prevent or cloud a logical, coherent answer, starting with the opening question by the interviewer, "Do you really know someone who has lost his freedom in America?"

Under the circumstances, the conservative gentleman did a commendable job, but the cause of freedom was scarcely advanced. The interviewer could have served the useful purpose his employers, the telecasting company, had held out to the television public – exploration of conservative ideals. Instead, he put on a "clever," entertaining, but *un*informative show.

The debater tactic is used in many situations, with the same purpose in mind – to shut out the opposition! Do not be dismayed if someone has tossed the "who has lost his freedom" question your way, and you fumbled it. The same kind of cunning question can cause the most articulate and well-informed exponent of any cause to fumble. It is not so much that answers are unavailable, but that the explanation of any serious subject cannot be undertaken successfully in an atmosphere of

---

Mr. Sparks is a business executive and past president of the Canton, Ohio, Chamber of Commerce.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

closed minds, and particularly within the time limits required for TV programs. To allow yourself to be harassed before the public in a panel or personal interview, where one side is armed with emotion and clever retort, while you seek to explain a serious, thoughtful subject, hardly affords the proper portrayal the freedom philosophy deserves.

To Throw Off-Balance

The purpose of the question, "Who has lost his freedom?" is to momentarily unbalance the advocates of a free society who have spoken, written, or read millions of words about, and personally discerned the danger of swollen powers of government. It implies that *there is no problem at all* and makes those concerned about freedom appear shallow and misdirected in their efforts. It is an attempt to end an argument or discussion by refusing to recognize that an issue exists.

Let us reflect on this question that has been posed. Unless items of value are inventoried regularly, they evaporate or erode without our becoming aware of their reduction, or even their complete disappearance. An ancient Greek writer observed that freedom has its best recognition among the generations of people who had thrown off authoritarian rule; however, he also noted that later generations, neither prizing nor comprehending the blessings of freedom, would likely enslave themselves.

The early days of our country bear out his point, for the understanding and love of freedom and the abhorrence of its opposite, government tyranny, were clearly in the minds and hearts of the citizens of this new nation. They so jealously guarded their inalienable rights that the first central government was given practically no governing powers. Later revision brought the Constitution, with stronger powers placed in the hands of the central government. But the chief area of contention – how to keep government in check – was of consuming interest to the citizens, for they distrusted power in the hands of government! And *any* government was suspect – kingdoms, despots, or those managed by elected representatives of the people!

History records repeated examples of people who forcibly removed the yoke of oppressive government, only to gradually lose their liberty as they ceased to understand and appreciate it.

The nature of freedom demands exceedingly great understanding, sacrifice, and valor *to win it,* and almost always such effort occurs only after the people experience

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the miseries concurrent with its absence. The nature of freedom also demands continued understanding and vigilance *to keep it.* As yet, no people in history have successfully retained their freedom. By nature, it is elusive, difficult to win, and easy to neglect while it slips away. It is little wonder that a person can be momentarily stunned when asked to identify lost freedoms or to point out some person who is no longer free in the United States.

So Many Ways To Be Wrong

To specifically detail the lost freedoms of any one person is as time consuming and as difficult as trying to prove the earth is spherical by proving it is not the shape of a string, stick, hoop, box, tube, ad infinitum. It is sufficient to know that each person has natural rights – *from God* – to defend his person, his liberty, and his property. The *only* moral purpose of a collective organization is to efficiently provide this defense. And testimony abounds in the mountainous volumes of laws recorded in our various levels of government that the collective organizations have not confined their activities to the defensive function. Personal freedom means to have the right to direct one's life as he chooses while conceding everyone else the same right. Freedom is the absence of coercion. Continued effective coercion can come only from government, the collective group, as it goes beyond its proper defensive function of being a policeman and a soldier.

A direct result of government's overstepping these proper bounds is that individuals have lost many of their rights of decision. One could fill pages without completely covering the millions of interferences in the market place every day. Few, if any, items exchanged are entirely free of government manipulation. Note the far-reaching effect on manufacturing costs by federal and state laws governing employer-employee relationships in the matter of wages, overtime pay, minimum rates, unemployment taxes, industrial insurance, and compulsory bargaining. Note the effect on costs of processing foods when the government artificially buoys up prices of certain agricultural products and pays to keep farm land idle.

These are but a few of the market-place shackles. Before the individual ever reaches the market place, however, he has been deprived of much of his property. He no longer has the right to decide how to spend a large portion of the income he earns. Federal income tax removes a greater percentage of choice than the tax percentage would seem to indi-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

cate. For example, if the federal income tax takes "only" 20 per cent of one's income, it might appear that an 80 per cent freedom of choice remains, apparently ample.

But this is not a true picture! Much of this remainder is required for food, clothing, housing, medicine, basic insurance protection, and transportation, nearly all of which are considered by most people, in one degree or another, as basic economic essentials. After acquiring these items and paying taxes, little is left, as many persons will sadly attest. This latter small percentage may be more truly indicative of the small amount of economic choice remaining to a person.

The Cream Skimmed off

And it is that all-important area of decision, lying beyond the effort expended for the acquisition of basic economic essentials, in which a person is often distinguished from another. This has been the target area of the advocates of progressive income tax, removing choice by removing the economic companion of choice—savings. For instance, investment choice becomes possible only when capital for risk purposes can be saved. The traditionally American decision to go into business for oneself is often delayed or postponed permanently due to potential savings being drained off via taxation. The desire of a person to support religious, educational, and cultural institutions is severely curtailed for the same reason: that portion of his income available after first paying taxes and supplying his personal and family needs is too small to effectively support charitable projects.

Of course, there are some areas of choice not subject to shrinkage from taxation for they involve little or no economic prerequisite. But many worthwhile material and nonmaterial goals can be achieved *only after* adequate financing has been supplied through savings by the individual.

Has he lost his freedom? He has! If anyone doubts this, let him try to spend 100 per cent of his income as he pleases (except that required for proper government defense functions). Let him disregard the laws on employment, farm prices, education, compulsory old-age "saving," and government charity. Let him refuse to give financial support to those activities of government beyond the scope of policeman and soldier. His doubts about his loss of freedom will quickly vanish.

While it is saddening to witness the gradual removal of the freedom of choice from the individual, it is even more tragic to see that

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

many persons have not taken the time to understand and to realize that it *is* taking place. They have not learned that progress stems from a great many individual achievements occurring only when men are free from the coercive actions of their fellow men.

When the real meaning of freedom is understood by enough thought leaders, nothing will deter its progress — not even the tactics of those "liberals" who seek to firm up their weakening position by the pretext that no one has lost his freedom. ◈

IDEAS ON LIBERTY

Democracy and Mob-Rule

SO WHEN they begin to lust for power and cannot attain it through themselves or their own good qualities, they ruin their estates, tempting and corrupting the people in every possible way. And hence when by their foolish thirst for reputation they have created among the masses an appetite for gifts and the habit of receiving them, democracy in its turn is abolished and changes into a rule of force and violence. For the people, having grown accustomed to feed at the expense of others, and to depend for their livelihood on the property of others, as soon as they find a leader who is enterprising but is excluded from the honors of office by his penury, institute the rule of violence; and now uniting their forces massacre, banish, and plunder, until they degenerate again into perfect savages and find once more a master and monarch. . . .

And for this change [for the worse] the populace will be responsible when on the one hand they think they have a grievance against certain people who have shown themselves grasping, and when, on the other hand, they are puffed up by the flattery of others who aspire to office. For now, stirred to fury and swayed by passion in all their counsels, they will no longer consent to obey or even to be the equals of the ruling caste, but will demand the lion's share for themselves. When this happens, the state will change its name to the finest sounding of all, freedom and democracy, but will change its nature to the worst thing of all, mob-rule.

POLYBIUS (205?-?125 B.C.) *The Histories*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the AMERICAN SYSTEM and Majority Rule

EDMUND A. OPITZ

IT IS standard journalistic procedure to divide the world into two camps. The Soviet bloc comprises one camp, whose member nations are run along totalitarian lines. The non-Soviet bloc, by contrast, is called The Free World. The United States, it is conceded, is a prime example of a free society, and so this nation has assumed leadership of The Free World. And not without reason, when the matter is viewed historically. The eighteenth century thinkers who conceived and launched the American System envisioned a society of free men, and however questionable some of our current beliefs and practices may be, we still honor their memory. But does today's popular notion of a free society have anything in common with the model erected by the venerable Founding Fathers?

Take a random sampling of our citizenry and ask them to explain what they mean when they declare that this is a free society. "America is free," most of them would say, "because The People in free elections choose their own leaders. And then, by letter writing, lobbying, and delegations to Washington, The People make their opinions felt in the determination of policy. Furthermore, our political leaders are not selected from among a few aristocratic families; here anybody can run for political office, and most anybody can become President. And if The People do not like the government they chose in 1960, they need not revolt; all they have to do is convince a majority of voters to their way of thinking and they'll get the government they want." The simple man in the street and the sophisticated reader of "liberal" weeklies may have little else in common, but they share a touching faith in the sovereignty of The People.

Now suppose I am not in sympathy with some part of the national government's program – not

The Reverend Mr. Opitz is a member of the staff of the Foundation for Economic Education.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

so farfetched an assumption – and I utter some criticisms of it. I get a standardized reaction. The customary response is: "The People are entitled to get from government whatever a majority of them want: from schooling, to job insurance, to cheap electricity. Would you deny them these benefits? Most people favor social security, and under our system of government where The People are sovereign they should have it. Are you opposed to majority rule? Don't you believe in democracy?"

The unspoken assumptions underlying these questions are somewhat as follows: "The voice of The People, expressing itself through majority opinion is, in a democratic society, the final determiner of policy, and the ultimate sanction for political conduct. A society is free to the extent that the majority will is not frustrated. This is what it means to live in a democracy." Such is the rationale for much of today's politicking. Let us try to evaluate it in terms of American political theory and experience.

Constitutional Safeguards

These assumptions – about the desirability of permitting majority will free rein – were not shared by the men who drafted the Constitution. To the contrary, these men worked overtime to devise ways of protecting society against the action of majorities. They knew that "The Majority" is a technical term in politics, customarily meaning "a minority on the make." If democracy is a system of government in which every citizen is equally represented, and where policy is determined by sampling majority opinion, then the Founding Fathers tried to circumvent "democracy" – in this sense – and succeeded.

A rather silly European Socialist, presumably with this in mind, referred to our Constitution as "very nearly a plot against the common people." The real intent of the document was quite the opposite: it was to protect the common people – which includes just about all of us – from political adventurers. Our forebears had experienced the tyranny of monarchs, but they had no intention of accepting a majoritarian tyranny in its place. "An elective despotism is not the government we fought for," wrote Jefferson in 1781.

The end they fought for was individual liberty within the framework of a moral and legal order, and to this end they created a number of antimajoritarian institutions. The Senate is one instance. One senator in my state of New York represents about 8,000,000 people; in the state of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Washington, one senator represents about 1,400,000 people. The lucky people of Nevada have one senator for every hundred thousand of them. Whatever one's reaction to this, he cannot call it equal representation.

Appointment of Senators

To emphasize further the undemocratic nature of the Senate, the Constitution provided that its members be appointed by the legislators of the various states, not elected by the voters. We amended the Constitution to change this procedure.

The Constitution declared that the President would not be chosen by mass vote. The legislature of each state was to determine the manner of choosing electors who, in turn, would meet and select a President. The idea was to insulate this office from the popular will.

And then there is the Supreme Court. Theoretically, a bill might have the unanimous support of the voters, be passed into law by the Congress, and then be thrown out by the Court on the grounds of unconstitutionality.

Additional examples might be cited, but enough has been said, I think, to indicate that the federal republic designed by the Founding Fathers is miles away from what the average American today understands by a democracy in which majority opinion rules directly and unfettered. It might be instructive to examine portions of our historical background in order to better understand this situation.

The people who adopted the Constitution as their organic law were well qualified to make it work: they knew political theory; they were experienced with colonial charters, compacts, and self-government; and their religion conduced to individual liberty. These qualifications have been largely lost among us – although they might be restored. But until a restoration occurs, we as a people will probably continue to resort to the expedient of "majority rule" to sanction any governmental action an actual minority of the voters wants.

Qualified Draftsmen

One hundred and seventy-five years ago, in the spring of 1787, a body of delegates met in Philadelphia. They represented twelve of the thirteen colonies, Rhode Island abstaining. By September they had drawn up the Constitution and signed their names to it, and beginning in October three young men wrote a series of 85 articles urging the adoption of this document by the states; Hamilton was thirty, Madison thirty-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

six, and Jay forty-two. The series was nearing completion when the papers were collected and issued in book form as *The Federalist*. This book has long been recognized as a classic in political philosophy, and the document whose virtues it expounded, The Constitution of the United States, is still – nominally at least – the law of the land. The first Congress under the new Constitution met at New York on March 4th, 1789.

The men who drafted our basic political document and set a new government in motion represented a people who were exceedingly alert intellectually and politically. There was a population of some three million along the Atlantic seaboard in the latter part of the eighteenth century, largely rural. But they were readers and thinkers, as well as farmers and artisans, as the following instances show. Blackstone's famous *Commentaries* appeared between 1765 and 1769, and 2,500 copies sold in America before the Revolution. Adam Smith wrote his *Wealth of Nations* just as the Revolutionary War was getting started, in 1776, and despite the preoccupation of Americans with their own problems in this time of trouble, several thousand copies of the book sold here shortly after its publication in England. Tom Paine wrote his pamphlet, *Common Sense*, in January 1776, and Americans bought about 100,000 copies within a few weeks.

Many colonists were at home in the realm of ideas, and thus were ready, when the time came, with a rationale for liberty based on an acquaintance with its literature as far back as Greece, Rome, and Israel.

A significant number of the colonists were learned in history and political theory, but Americans were not a bookish people; they were experienced in self-government and at home with charters and compacts. When the Founding Fathers sat down in Philadelphia to draw up a new constitution, the American adventure was already 180 years old. In other words, about as much time had elapsed between the settlement in Jamestown in 1607 and the Philadelphia Convention as between Philadelphia and ourselves. These men were anything but novices in practical politics. What had their experience taught them?

Chartered by the Crown

During the 1500's, individual adventurers like Sir Walter Raleigh conducted colonizing efforts at private expense, but in the 1600's companies were chartered by the English Crown to establish colonies and carry on trade. The famous East India Company was

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

organized in 1600, and was probably the model on which the Virginia Charter of 1606 was framed. It was this Charter which created the London and Plymouth companies which led to the settlements at Jamestown in 1607 and Plymouth in 1620. We need to take a careful look at these commercial corporations for colonization for, in structure and function, they were models used by the colonists in their political experiments.

This fact has been noted by Charles A. Beard in his book, *The Rise of American Civilization.* Referring to the Virginia Company, Beard writes: "Like the State, it had a constitution, a charter issued by the Crown . . . like the State, it had a territorial basis, a grant of land often greater in area than a score of European principalities . . . it could make assessments, coin money, regulate trade, dispose of corporate property, collect taxes, manage a treasury, and provide for defense. Thus every essential element long afterward found in the government of the American State appeared in the chartered corporation that started English civilization in America." (p. 37)

These chartered companies were also missionary enterprises. The colonizers who came to these shores were Dissenters from the Established Church in England, seeking here a haven where they might worship God according to their own convictions. They did not believe in, nor did they practice, what we have come to call "religious toleration." Theorizings about the "rights of private conscience" would have fallen upon deaf ears; the freedom they sought was freedom to worship as they chose, not every man's freedom to do as he pleased. They were not easy-going people, nor were they easy to live with; but perhaps it took a certain kind of fanaticism to make the ocean voyage in the first place and, in the second place, to survive in an extremely hazardous situation.

Puritan Tradition

This "hardshell" aspect of Puritan and Separatist religion has no discernible political significance; history bears witness to hundreds of crusading faiths for which the adherents were willing to suffer and, upon occasion, to persecute. But there were two peculiarities of the Puritan religion which did have a direct bearing on American political theory and practice — its covenant theology and its congregational polity. Let me quote the words of a scholar, R. L. Perry, referring to the Mayflower Compact:

"The document represents the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

application to the affairs of civil government of the philosophy of the church covenant which was the basis of Puritan theology. This theology found in the Scriptures the right of men to associate and covenant to form a church and civil government and to choose their own officers to administer both religious and civil affairs. Each member of the congregation had a vote in the election of officers, and each congregation was considered as independent and autonomous of every other and not subject to the authority of any centralized church hierarchy."

Edmund Burke delivered his great speech on "Conciliation with the Colonies" in 1775. Speaking of the influence of the colonists' religion on their will to resist he said: "Religion, always a principle of energy, in this new people is no way worn out or impaired; and their mode of professing it is also one main cause of this free spirit. The people are Protestants, and of that kind which is the most adverse to all implicit submission of mind and opinion. This is a persuasion not only favorable to liberty, but built upon it. . . . the dissenting interests have sprung up in direct opposition to all the ordinary powers of the world, and could justify that opposition only on a strong claim to natural liberty. Their very existence depended on the powerful and unremitted assertion of that claim. All Protestantism, even the most cold and passive, is a sort of dissent. But the religion most prevalent in our northern colonies is a refinement on the principle of resistance: it is the dissidence of dissent, and the protestantism of the Protestant religion."

The Natural Law Concept

As a corollary of this religion the Founding Fathers posited a higher law – the Natural Law or the Moral Law – to which the laws of men ought to conform. Men might create statutes or legislation, but the Natural Law is discovered, not created; it is a law superior to the will of human governors, and legislation is just or unjust as it conforms to or violates Natural Law. The Natural Law is largely unwritten, but the down to earth parts of it are found in the Common Law, in "the idea of immemorial rights of Englishmen," and in the various charters written to implement these rights from Magna Carta on down.

So much for the men and the political ingredients at their fingertips. They were acquainted with political philosophy and experienced in the art of governing. Their Dissenter's faith disposed them to individual liberty, and in

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the Natural Law they had a device to limit arbitrary rule. This was their equipment, and then they were given an opportunity, unique in history, to draw up the fundamental rules for a society in which men would be free. One of them, James Wilson, wrote: "The United States exhibit to the world the first instance, as far as we can learn, of a nation, unattacked by external force, unconvulsed by domestic insurrection, assembling voluntarily, deliberating fully, and deciding calmly, concerning that system of government under which they would wish that they and their posterity should live." The exuberant Patrick Henry went even further. Cried he: "We are, Sir, in a state of nature!"

What Shall Be Government's Scope? and Who Shall Rule?

In short, these men were in a position unprecedented to ask and answer the two fundamental political questions. The primordial political question is: What shall be the extent of rule? or What is the proper scope of government in society? The second question is: Who shall rule? or What devices shall we employ to choose personnel? The answers of the Founding Fathers constitute a political breakthrough, a new departure in government.

The first question is basic: What shall be the extent of rule? Once we have answered this one properly, a workable device for choosing personnel is easy to find. Majority opinion, as determined by balloting, is one such device. But to use majority voting in order to determine the proper scope and boundaries of government is to confuse the categories. The answer our forebears gave to the question: What shall be the extent of rule? is that of classic Liberalism. It is the function of government, they said in effect, to act as an umpire who enforces the agreed upon rules. Let government administer justice among men and otherwise keep hands off; men will be free then to administer their own affairs. When government keeps the peace by curbing peacebreakers, men may go freely about their productive and creative pursuits, cooperating and competing with one another as to each of them seems best.

In giving this sort of an answer, the Founding Fathers broke with a long and powerful European tradition. The alchemists had sought for a philosopher's stone which would transmute lead into gold; but the thing which really haunted the mind of Europe ever since Plato was the search for a philosopher-king. Plato's words are found in Book V of *The Republic*: "Until philosophers are

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

kings, or the kings and princes of this world have the spirit and power of philosophy, and political greatness and wisdom meet in one, and those commoner natures who pursue either to the exclusion of the other are compelled to stand aside, cities will never have rest from their evils – no, nor the human race, as I believe – and then only will this our State have a possibility of life and behold the light of day."

The idea is an intriguing one and, judging by the record of history, it is irresistibly fascinating to most people. The idea is simple and easy to grasp, and there is a sort of Gresham's Law at work at the mental level which rules that complicated ideas are killed off by the simple, just as bad money drives out the good. What sounds simpler than the suggestion that the human situation would be immensely improved by first creating elaborate and powerful governmental machinery, capable of running society and doing wonderful things for The People, and then finding the wisest and best men to operate this mechanism? This ancient dream of giving the wisest and best men unlimited political power in order to accomplish enormous good has nightmare possibilities; the dream goes sour periodically, and the subjects who get it in the neck hope that the next king will be better than his predecessor.

The Americans scrapped this machinery, lock, stock, and barrel. Government, they said in effect, is necessary in human society, but unless it is limited and kept under control, it is capable of doing great harm. And human nature is such that, if power situations are deliberately created, the worst men will gravitate toward them, and such good men as are given arbitrary power will tend to be corrupted by it. Therefore, keep government limited to the administration of justice and the defense of life and property and you deprive it of its propensity for evil. Each man will then be free in society to realize his highest potential.

Such, in briefest outline, was the early American answer to the primordial political question: What shall be the extent of rule?

Selection of Policemen

The second question has to do with the choice of personnel. Once you decide to limit government to policing functions, how do you go about selecting men for the jobs? Four such devices are available. The first is determination by bloodline: If your father is king, you'll be king when he dies, and your son will rule in your place. The second is determination by

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

lot – drawing straws – used for a considerable period in Athens. Third, is the device of aristocracy, where a few families comprise the ruling caste, as in Venice. The fourth form is the one that seems natural to us: Impose a few qualifications for the privilege of voting, and then by balloting let the voters freely choose their representatives, the candidate who gets the majority of votes being the winner. This is the proper place to use majority rule, in dealing with the second of the two main political questions.

The primary question, What shall be the extent of rule? can be answered or resolved on the basis of intellectual and moral criteria only – not by counting noses. No scientist would suggest that the validity of the germ theory of disease, for example, should be determined by an opinion poll; and similar considerations apply to disputed questions in history, psychology, mathematics, and elsewhere. There is no difference of opinion on this score; every scholar agrees that disputes in his field are to be settled by laboratory experiments, by field tests, or by reason and logic – in short, by weighing the relevant evidence.

The only exception to this rule is in this sector of political science. But even here, every scholar leaves himself a loophole. Ask the person who tells us that majority rule should reign everywhere if he believes that the majority in this country has the right to decide for everyone what church we should all be forced to join. He will answer in the negative, and in disavowing this logical inference from his position he has implicitly admitted that majority rule should not be permitted to upset certain principles – the principle of religious liberty, in this instance. In so doing he also acknowledges, in sort of left-handed fashion, that majority rule is not itself a principle. Majority rule is a mere device, a means for accomplishing certain ends, but not others. So when someone asks, "Do you believe in majority rule?" we must render the question intelligible, as follows: "Do I believe in majority rule *to do what?*"

"Imposter Terms"

Our language contains many "imposter terms" – to use old Jeremy Bentham's label – and the jargon of politics is particularly rich in examples. "The People" is one example of an imposter term. People obviously exist, but "The People" is a fiction introduced into a discussion to mislead. So whenever you hear anyone refer to "The People," put your hand on your wallet. Likewise, when someone sounds off about "The Public"

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

or "The Majority." "The Majority," as mentioned earlier, is a politician's or a "liberal's" way of meaning "A Minority." A so-called majority is really a numerical minority manufactured and manipulated by a small group of determined and unscrupulous men. Majorities for or against this or that measure are often manufactured at will. This procedure goes on today and it has gone on for a long time. More than a century ago the Columbia University professor of political science, Francis Lieber, wrote: "Woe to the country in which political hypocrisy first calls the people almighty, then teaches that the voice of the people is divine, then pretends to take a mere clamor for the true voice of the people, and lastly gets up the desired clamor."

The philosopher, according to an old joke, is a blind man in a dark room looking for a black cat that isn't there; the theologian, on the other hand, finds the cat! The people of Europe searched in vain for a philosopher-king, but never found him; we of the modern world have found our philosopher-king, and his name is The People, expressing itself through majority rule. Government, in this view, is identified with The People; and when this belief is accepted, any constitutional device designed to limit government is regarded as an affront to The People and an impediment to majority rule. Such a view is fatal to liberty and to peace.

Respect for the Individual

The authors of the Constitution had a high regard for the individual citizen. He had, in their view, certain inherent rights derived from his Creator, which it was the function of government to respect and protect. When government was thus limited, it conformed to the Natural Law, those norms of liberty, equality, and justice which are part of the nature of things. But with the rise of skepticism as to the very existence of anything but man-made rules, another sanction had to be found to rationalize political might. Thus was majoritarianism invoked, and under its guise, things have been done to individuals which they would never have tolerated from any monarch. For the antithesis of majoritarianism is the principle of individual liberty, and to secure individual liberty our Constitution placed various checks on majority action.

The inclusion of such checks derives from the conviction that each man has certain inherent rights which it is the duty of government to secure, so that even as a minority of one he has immunities which no numerical major-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ity may invade. No majority had the right, under our original system, to impose its religion on any minority, or impair its freedom of utterance or deprive it of property. But under the new dispensation "The Majority" is almighty. All it has to do is gain control of government and then it has a legal cloak behind which a minority of the nation uses the governmental machinery to work its will on the rest of the society. According to the theory of majority rule, the governmental machinery is always "up for grabs" for just such a purpose.

Limits to Majority Rule

Majority decision at the polls is an excellent way of choosing personnel for political office, but it is a violation of the moral law for the majority to vote away any man's freedom. The majority may have the power to do this, but the right to this action it never has. But here we hit an obstacle, for in speaking of "the right" we have assumed the real existence of an independent moral principle, implying that something may be ethically right or ethically wrong whatever its measure of popular support – or lack of support. But this is the very concept which has fallen into general discard, even among convinced antimajoritarians. Some of these abandon the idea that majority support determines the ethical rightness of an act on the grounds that this is the kind of thing each individual decides for himself.

This implies that there are as many valid ideas of right as there are persons, and denies that there is any such thing as right *per se*. But if there is no right *per se*, it cannot be wrong for majorities to do as they please! If there are no norms or principles as part of the nature of things, then man-made assumptions are all we have to go on. Man-made assumptions are not self-operating; they must be made to operate by the weight of a sufficient number of people who want to make them work – just as a water wheel is turned by the weight and force of the water falling on it. Tomorrow, the contrary man-made assumptions can be made to work in just the same fashion, by the weight of majority opinion. Such a situation is unavoidable unless the universe exhibits a qualitative dimension, ethical in its own right.

Objective Standards of Morality

We do not adopt a free-wheeling attitude in questions of arithmetic. We do not, that is to say, advise every man to decide for himself what the answer to two plus two will be for him. This is because we take it for granted

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

that the constitution of things is such that there is only one valid answer to two plus two; namely, four. And if the ethical dimension of existence is not so constituted that certain things are right and certain things are wrong *per se,* then let us frankly acknowledge the fact and give up the moral approach altogether. In which case, majoritarianism makes a modicum of sense.

Human beings, however, are called upon to make moral decisions just because they are human beings. But moral decisions can no more be made in the absence of ethical standards or norms than things can be weighed without such units as ounces and pounds. Large numbers of people have lost touch with principles; the old ethical standards have been discarded, and we attempt to makeshift without standards. So, desperately trying to find some basis for making moral decisions – as an alternative to the naked rule of arbitrary might – our contemporaries are driven to the expedient of majority rule.

But majority rule is not a moral principle, and the attempt to use it as such won't work – any more than it would work to try to weigh things by the foot or yard or calculate length in terms of pounds. It is a waste of time to try to mix incompatibles, but it is a safe bet to assume that we'll continue with this useless effort until we restore ethical norms and principles to their rightful place in our lives, and then proceed to build our social and political structures into conformity with them. ◈

IDEAS ON LIBERTY

The Downward Road

IT APPEARS we are descending the ladder of human values. First we attack the morality of honest effort because it has reaped materialistic rewards. Second, we put aside the educational and spiritual values of doing well the little menial or unpleasant tasks that must be done. Third, we advance the false theory of entitlement regardless of how one has loafed and mismanaged personal affairs. The pages of history clearly point out that these are the roads to human deterioration.

RALPH E. LYNE, Taylor, Michigan

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

A Modern Tea Party

GORDON CONKLIN

THE NIGHT was bitterly cold outside Faneuil Hall, but the angry voices inside its walls were turning the air a heated blue. Only the day before, a group of men dressed as Indians had thrown three shiploads of tea into the Boston Harbor, an act now discussed at this meeting of businessmen. The Hall stilled as an authoritative figure mounted a chair and began speaking.

"Those sophomoric nuts have ruined our colonial image," he said. "Didn't they know that the tax to be raised on that tea was to be used to pay subsidies to businesses that were overproducing? Only a week ago I talked with the Lord High Commissioner and he assured me that I would receive, from tea tax funds, 500 pounds sterling for every ship I did not build in my shipyard.

"So now these damned hotheads piously talk 'principles,' saying that taxation without representation is wrong. If they don't like the setup, why don't they just stay out of the program instead of acting like a bunch of schoolboys and ruining the deal for the rest of us? Besides, everyone else is being subsidized by funds drawn from the Stamp Act, the Sugar Act, and the Townshend Act – why shouldn't we have our share?"

A tall man sitting quietly amidst the hubbub addressed the speaker:

"Mr. Winthrop, you have four sons, do you not?"

"Why, yes. But what's that got to do with this?"

"I assume," the questioner went on, "that you have always ad-

---

Mr. Conklin is Editor of the *American Agriculturist*. This article is reprinted by permission from their September 1962 issue.
Illustration: The Bettmann Archive, Inc.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

vised them to leave the painted ladies at Ye Olde Ramshead's Inn alone."

"Get to the point, man!" Winthrop roared. "Of course, I've always told them that!"

"But, Mr. Winthrop, you and I don't need the research of Professor Kantsay at Harvard to know that adultery is quite common. Are you, then, ready to abandon a principle and recommend to your sons that 'since everyone else is doing it' they'd better get their share before it's too late?"

Livid with rage, Winthrop almost choked as he grated out a reply: "The next thing we know, Smythe, you'll be bringing religion into this thing. I suppose you'll be comparing these irresponsible show-offs to Martin Luther when he drove nails into a cathedral door."

"No," Smythe replied. "I'm no theologian – and I don't think the comparison is very apt anyway. But I'll back the men that jumped those tea ships and did something dramatic to call attention to the violation of a basic principle.

"I'd like to debate this some more," he continued, "but I've got to go. A friend of mine asked me to be *sure* and bring him the best horse I own. Maybe you know him – name's Revere." ◈

N RESPONSIBILITY

ROGER B. COOLEY

BY A NARROW MAJORITY, my fellow students at a small liberal arts college recently voted for adoption of an academic honor code emphasizing student responsibility.

Responsibility, however, has various meanings. Some say that it applies solely to individuals, whereas others speak of "corporate" and "institutional" responsibility. Some see it as the very foundation of competitive private enterprise, while others think private businesses must be forced to be responsible through "social"

Mr. Cooley currently pursues his studies at the University of Chicago School of Business.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

legislation. And in the campaign for an academic honor code, some students obviously thought responsibility to be the basis for truth, honesty, and integrity, while others considered it a "free academic ride" for those who elect to cheat. At any rate, the term is vague and often misunderstood by today's students, and their attempts to establish academic responsibility through various honor systems are apt to be shallow and misdirected.

Reserved to Individuals

A first principle of responsibility is that it is reserved to individuals. It cannot be exercised on behalf of any other person. To be responsible is to recognize one's own part in a given situation; no other person can rightfully take the praise or blame for that part; there is no way of "taking the responsibility for another's actions."

Responsibility is acquired as an essential part of the growth process. Children are taught that acts have consequences and that all actions are governed by the results they yield. Thus, the child learns to gauge his behavior to his wants and to become a responsible individual. Responsibility does not arise out of the actions of others. Its exercise is solely the result of individual trial and error, and the acceptance of it does not occur unless the individual is allowed to make mistakes. It is by succeeding or by making mistakes that each person gains the sense of his own "inner-direction," his own unique place in the universe, a chance to be a strong contributing member of society.

Now, how does the academic honor code fit this basic truth — that responsibility can only be exercised by each individual? The code recognizes "the rightful privilege [for the student] of full exercise of his honesty and integrity in the fields of academic endeavor. . . ." But it then goes on to provide for the apprehension of academic cheaters by their peers: "Every student is morally bound to report an infraction of the Code." In short, the professor is relieved of his duty of proctoring exams, but the students must carry on in his absence. Each must be a watchdog over his fellow students.

In case of cheating, the student reporting the infraction is first required to offer the cheating student a chance to turn himself in. Then, he must check with the Academic Board to make sure the offender has confessed. This may seem to place responsibility on the individual student, but, in reality, it puts the burden on his classmates who have to watch him. The

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

student is still proctored. Only the proctoring authority has been changed.

Giving the individual the opportunity to assert his responsibility is sound procedure, but to make each individual the keeper of his neighbor's responsibility makes a mockery of the whole concept.

Aversion to Guaranteed Life

A second characteristic of responsibility is its aversion to security. Responsibility wants no part of "the guaranteed life." The individual who has everything provided for him rarely develops a high sense of responsibility. This is not because someone else is exercising responsibility for him but because his productive actions are needless in an environment that makes him secure. For example, a student's responsibility under the academic honor code will not be enhanced one iota by substituting his peers as proctors in place of faculty proctors. The student's honesty is still guaranteed by an authority. He need not practice honesty as a responsible person, but has his honesty guarded through coercion. The difference is plain. Coerced honesty gives the individual student security but deprives him of responsibility.

This analysis can be applied to the risk-taker in business who exercises responsibility of the highest order in the decisions that govern the future of his business. Upon his shoulders rests the success or failure of his enterprise. And the combinations of responsible entrepreneurial actions in the business world make for a sound economy. Governmental attempts to control these decisions only decrease the efficiency of free enterprise and destroy individual initiative. The tragedy is that many businessmen also have succumbed to the lures of the welfare state and advocate further government intervention to promote economic growth. "Why doesn't the government do something about labor unions?" "Why doesn't the government improve the public school system?" "Why doesn't the government protect Americans from foreign competition?"

The road to government guaranteed security is the road to ruin, for when the few begin supporting the many, the few ultimately join the many. The system collapses. Rome was not built in a day. Nor did it fall in a day. Its foundations were eroded by the quest for security, while individual responsibility and initiative — which were its real builders — ceased to find expression in the play and frivolity of the Roman

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

bureaucracy. Truly, individual responsibility and "social" security cannot exist side by side. The existence of one always spells the death of the other.

Maximum Individual Freedom

A third characteristic of responsibility is that its most meaningful expression occurs under conditions of maximum individual freedom. If the individual is to be free to plan his life in his own way, he must accept his role as a responsible human being.

Looking again at our honor code, we can see that it affords no new grant of freedom to the students. It only transfers authority to them in academic matters, and cannot be said to increase individual student responsibility. When the code says, "Every student is on his honor to fulfill the obligations and responsibilities which the code places upon him," it seems only to mean that each must watch his fellow students to see that they do not cheat and be careful himself, that he does not get caught cheating. Has this given the student more freedom — the opportunity to exercise increased responsibility? What about his peers? Are they freer with him as their proctor than they were with a faculty proctor?

Anyone who claims the human right of choice in his own affairs and destiny must also assume the responsibility for his actions. Freedom of will for the individual cannot exist apart from the assumption of individual responsibility. The two are inseparable, and a denial of one negates the other.

The fight for freedom, academic or otherwise, is first of all a fight for responsibility. And where better to pitch the battle than at the level of the student honor code?

"It All Depends On Me"

THERE ARE ADMIRABLE potentialities in every human being. Believe in your strength. . . . Learn to repeat endlessly to yourself: "It all depends on me."

ANDRE GIDE

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TWENTY-FIVE YEARS OF TRIAL AND ERROR

THE SOCIAL SECURITY PROGRAM

PAUL L. POIROT

THIRTEEN THOUSAND beneficiaries of the Anthracite Health and Welfare Fund were advised early in 1954 that future pension and death benefits would be cut to half their former rate. Retired miners thus found that insecurity may be the penalty for reliance on a poorly funded promise.

The income for the pension fund was declining, due to a steady drop in hard coal production — from 69 million tons in 1930, to 31 million in 1953, to 19 million in 1960. This happened during a period of general industrial expansion simply because labor, capital, and managerial ability could be more profitably employed in the production of something other than hard coal. The pension fund royalties, added to the price of coal, are, in effect, a special tax upon a product which has to compete with other fuels for a market outlet.

From a national point of view, it might not seem important what happens to the Anthracite Health and Welfare Fund or to its relatively few beneficiaries. But that is not to deny the force of the blow to certain individuals. Nor should it obscure the lesson for every other person in the United States. Lack of current revenue to maintain the promised rate of benefits is the disaster in store for the beneficiaries of any poorly funded pension plan, whether it be privately or "publicly" financed.

Some advocates of broadened social security coverage viewed the collapse of the anthracite fund as further evidence of the need to expand the federal program. But such a conclusion is unjustified. The failure of the security program for hard coal miners stands as a warning against every promise that rests upon a questionable claim to the property or future productivity of other persons.

There are no competitive indus-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tries in the United States today which have been guaranteed a prosperous future. No company, nor any industry, controls the buying whims of consumers or the forces of competition. The open market allows individuals and even whole industries to fail – if and when capital, labor, and managerial resources are either pushed or pulled toward more attractive employment opportunities elsewhere.

Investment of savings in productive private enterprise is the traditional method of achieving retirement security in the United States. Successive generations of farmers have worked to build ownership equity in land, buildings, equipment, and livestock, finally to retire upon the income which younger farmers would offer for the use of that accumulated capital. Other persons have achieved old-age security through ownership of rental housing, business facilities, and other productive property that has value because someone else has use for it.

It is true that ownership of property involves the risk of loss. The property may wear out, be destroyed, or otherwise lose its value, affording less security than the owner expected. Yet the economic progress so well demonstrated in America attests to the advantages of saving and building ownership equity in productive private property. Such property enhances personal productivity, which helps to satisfy human needs.

Possible gains from the use of more and better tools far outweigh the risks of possible loss of savings. Knowing this, most American citizens would stand in stanch defense of rights to private ownership and control of property if the issues were clearly drawn. Yet this deep-seated subconscious respect for property rights may be overridden at times by the highly humanitarian and emotional appeal of an illusion such as the social security idea.

No Safety in Numbers

Much of the popularity of the social security program, as it has been operating in the United States, rests upon the false premise that it is a form of old-age insurance with death benefits for survivors – just like annuities or life insurance policies sold by private insurance companies. Many employees who pay social-security taxes apparently believe that they are putting away a savings fund and that any promised retirement benefits will simply be a part of their own savings coming back to them. They seem to believe that the promise of a pension under the program is quite as secure

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and has as much value as the prospect of future income from personally owned and controlled private property. And the experience of some of the early beneficiaries leaves the impression that here is a far less costly thing than private insurance coverage – almost like something for nothing.

Suppose a man, aged 50 at the time the program began, had paid the maximum tax from 1937 until his retirement in 1952. In those 15 years he would have paid $489. His employer would have matched that amount, bringing their combined total to $978. Under the law at that time, he and his wife could have begun collecting at the rate of $102.80 a month, thus receiving within 10 months more than he and his employer had paid in social security taxes during the 15 years. Yet, his life expectancy would have been about 13 years. So, he's probably still living and still collecting – but not from any fund that he himself had helped build.

Or, suppose he had been only 40 when the program began, and had paid the tax at the maximum rate for 25 years until he retired at the end of 1961. The tax has been increasing, from 1 per cent on $3,000 of wages in 1937 to 3⅛ per cent on $4,800 in 1962 – from $30 the first year to $150 in 1962. But in 25 years the most he could have paid was $1,435, matched by his employer to bring their total to $2,870. He and his wife now would collect at the rate of $190.50 a month; so it would be almost 15 months before he got back as much as he and his employer had paid in taxes.

By what twist of logic or of morality does any person expect to get back several times the benefits for which he has paid? At whose expense, and why? Many of the 16,000,000 people now receiving social security old-age benefits established their legal eligibility with far less than the maximum tax payments just mentioned. Is it any wonder that some persons look upon it as a great insurance bargain?

Not Like Insurance

The truth, however, is that social security is not insurance at all in the economic sense of the word. The value of *private* old-age or life insurance protection stems from the insured person's ownership equity in productive property. But the payment of one's social security tax entitles him to no more ownership equity in property than does the payment of a liquor tax, tobacco tax, gasoline tax, income tax, property tax, sales tax, luxury tax, poll tax, or any other kind of tax.

In the case of *Nestor* v. *Flem-*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ming, the United States Supreme Court on June 20, 1960, clearly ruled that social security is not insurance upon which a deported alien could collect, even though he had paid the tax. Secretary Flemming declared in his brief on the case: "The contribution exacted under the Social Security plan is a true tax. It is not comparable to a premium promising the payment of an annuity commencing at a designated age."

Unlike private insurance, the protection afforded by the social security program rests upon the willingness and *ability* of government officials to authorize future appropriations from future tax revenue. The so-called fund has not been invested in productive property. In place of the money collected to go into the fund, there are receipts saying in effect that the government used that money to meet current operating expenses of one kind or another. These government bonds held in the fund can only be redeemed in valuable goods or services as any other government bonds are redeemed – by future levies against the private property and productive efforts of individuals. Who can say now what the real value of a government bond will be to the next generation of taxpayers who may be asked to redeem it in goods and services?

A bond is a form of indebtedness or a liability on the part of the person who issues it. It is the asset of the person who holds it for redemption. The distinction between an asset and a liability involves the question of who owes what to whom.

If a private insurance company holds a government bond, that is an asset. It would be absurd for the company to issue and hold bonds of its own, claiming them as an asset, for they would also be a liability. The solvency of the social security fund is not affected, one way or the other, by its holding of bonds as evidence that the government is indebted to itself.

Redemption Through Taxes

A governmental promise is a promise, whether backed by a bond, or by a social security account, or by a whole pyramid of promises, one upon another. To cancel or destroy the bonds held in the social security fund would not change anyone's equity in anything. The government's promise of a pension has value only because the government holds the power of taxation – not because it issues bonds or makes promises. The validity of social security claims against future taxpayers would not be changed if there were a thousand times as many bonds in the fund as at present –

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

or if there were no bonds in the fund at all.

Inasmuch as the redemption values of all government bonds, social security benefits, and other government promises of future delivery are contingent upon the future collection of taxes, it must be seen that each added bond or promise tends to weaken the financial position of the government. There is a limit to the tax burden future generations will be willing and able to bear.

The Inflation Tax

Actually, the mushrooming of government promises of future delivery is a form of current taxation — a method of dipping into private savings — commonly known as inflation. When the government sells one of its bonds, or collects the social security tax, it obtains a given amount of real purchasing power from individuals. The dollars with which the government eventually redeems its promises lose purchasing power in proportion to the volume of such outstanding promises. Meanwhile, all other promises payable in dollars, including the dollar obligations contracted by individuals, also lose their purchasing power. This encourages private spending and discourages saving and private capital formation. Inflation is a subtle and destructive method of taxation. And the social security program is a part of that destruction of private enterprise in America.

That harsh decision back in 1954, which halved the returns to beneficiaries of the Anthracite Health and Welfare Fund, was forced by the fact that declining productivity necessarily means a lower standard of living. Likewise, when the day comes that American taxpayers will no longer tolerate a tax burden which robs them of incentive to produce and earn and save, then someone must bear this sad news to social security beneficiaries: *"Lack of tax revenue precludes our fulfillment of the poorly funded promises of previous administrations."* The most probable political solution will be to let inflation eat away the value of the promised pension dollars. In other words, the dollars may be paid as promised, but beneficiaries will find little security value in those weakened dollars.

It may be argued, of course, that no aspirant for political office would dare renege on such promises to the old folks. But, eventually the citizens who work for a living may resent having their earnings treated as the property of the government. Persons paying social security taxes are certain to outnumber those receiving benefits at any time in

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the foreseeable future. If the majority of voters should decide that social security isn't worth what it costs, politicians will have no choice in the matter.

A Threat to Property Rights

Those who urge expansion of the social security program seem to assume that American citizens are no longer interested in the preservation of private property — the protection of the human right to own and control the use of that which one has produced. This is not to suggest that social security is the only threat to private property in the United States. There are many others. But this threat is unique in that it encourages the victim to believe that he still retains some kind of a personal claim or right to repossess property which the government has taxed away from him.

If rats destroy 6¼ per cent of a man's property, he sees that it is a loss of property and not a savings program. Yet somehow it is presumed to be a form of saving when the government takes and consumes the property. Or else it is presumed that the government actually does store and save the property taken in the name of social security. Either presumption, of course, is entirely without basis in fact. Yet, some persons, who will strongly resist socialism in the form of steel-mill seizures or nationalization of the railroads, have convinced themselves that government control of property affords better old-age security than could be attained in any other fashion.

One other feature of the social security program tends to conceal the nature of its threat to property rights. The payroll-withholding of the tax makes it difficult for the individual to recognize that it is his own property which is being taken from him. If the wage earner isn't even allowed to see his money, how can he see that he might have used those withholdings to purchase property which could yield him a retirement income?

The deception is aggravated, of course, by the employee's impression that half of the cost is coming out of the pocket of his employer. But the employer is obliged to treat those matching contributions as part of the cost of labor. If that 3⅛ per cent were not taxed out of his pocket, then competition would have drawn it out anyway, either in the form of higher current wage rates to employees or in the form of lower prices to consumers. So the net result is that *the employee, in reality, stands the burden of the full social security tax,* including the share he might have thought

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the employer was paying. The social security program is not a method of soaking the rich to help the poor. Social security is a feature of the broad socialistic pattern – a special feature designed to get at the private property of the man who works for an hourly wage.

Earning Power Is Private Property

Far too many American citizens have taken the attitude that defending private property is the rich man's job; let *him* worry about his property rights! But such a shortsighted view misses the vital point that an individual's earning power is also a form of private property, particularly to be cherished and defended by those who own nothing else. To endorse a principle which allows the government to tax away increasing proportions of privately owned property is to forfeit the only chance man has for independence. To the extent that government can take a man's property, including his wages and other current earnings, it can control his life. The person who desires freedom is obliged to limit the scope and power of his government.

The social security tax was initiated in 1937 at the comparatively low level of 2 per cent of an employee's wages, the employer and the employee each to bear half of the amount. By January 1, 1962, the total tax had risen to 6¼ per cent, which is still low in contrast with some of the prevailing corporate and personal income tax rates. It may be recalled, however, that the early advocates of income taxes also scoffed at the idea that such taxes could ever amount to as much as 10 per cent of a person's income. The ironic truth is that federal income tax rates have "progressed" upward to take as much as 92 per cent of personal income in some instances.

A further truth is that a tax of 6¼ per cent of taxable payrolls barely begins to cover the potential claims which are accumulating under the social security program. Latest plans call for successive future increases until the rate reaches 9¼ per cent on taxable payrolls in 1968. By then, there is likely to be one person over 65 years of age for every five of those younger persons who are supposed to be productively employed – and taxable. Will 9¼ per cent of the wages of five persons – 46¼ per cent of an average wage – be enough to keep one person comfortably in retirement?

A tax of 9¼ per cent of $4,800 comes to $444 a year. Any reliable insurance agent can tell you that would buy a sizable chunk of old-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

age insurance from his company —particularly if you happen to be a young person. For a premium of $444 a year from age 20, a man can secure from private companies a life annuity averaging about $220 a month after he reaches 65. This is in contrast to the monthly benefit of $127 promised through social security. Even the government actuaries have acknowledged that a new entrant is scheduled to pay $1.69 in social security taxes for every $1.00 promised in benefits. When buying government security, it's not a good deal to be a young person.

Compulsory Security

There is a certain plausibility in the rationale that persons most likely to be dependent in their old age should be obliged to help foot the bill during their productive years. Such reasoning, of course, presumes it is the government's responsibility to relieve the consequences of poverty. From such plausibilities, individuals are drawing the conclusion that they have a right to retire at age 65, with no further personal responsibilities for earning a living. If this is accepted as a general principle, then how does a society stop short of complete socialization?

Compulsory social security forces a person to invest a portion of his earnings in a "business" which reports a debt of more than a quarter of a trillion dollars and which seems determined to operate at a deficit – the United States government. Little wonder that participation is compulsory!

Those who enjoy diversion talk about putting the social security program on a straight pay-as-you-go basis. This is supposed to mean that current benefits would be paid entirely out of current revenue, with no pretense at building a fund to cover outstanding commitments. But the program, in effect, has always been on a pay-as-you-go basis. Anyone who believes that his social security tax money has been tucked safely away as in a personal savings account is only deceiving himself.

Fully Funded

The alternative to a pay-as-you-go program would involve government disbursement from goods previously collected and stockpiled as "public property." This seems to be the alternative favored by persons who want a fully-funded program.

If such a stockpile were ever attempted, the magnitude of the problem may be seen in the figures of private life insurance in the United States. An ordinary rate of return on the total volume of assets owned by all life insur-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ance companies would yield only enough to provide about two and a half million persons with a regular monthly income of $100. At least seven times that number of persons in the United States are aged 65 or older.

Do persons who urge the government to cover 17.5 million old folks with a fully-funded social security program understand the implications of such a proposal? The fund for such a program – assuming a monthly pension of $100 – would have to yield an annual income of nearly 21 billion dollars. In effect, that would mean government ownership and control of about 700 billion dollars worth of the property which previously had been under private ownership – that much property in addition to what the government already owns or controls. In that sad event, it is doubtful that there would be any property income left for private use; the government would have claimed it all.

Mr. W. Rulon Williamson, the first Actuary of the Social Security Board but no longer in that post, estimated in 1961 that potential payments to living OASI taxpayers and their family dependents amounted to $1.5 trillion – of which the "on-paper" Trust Fund would cover little more than 1 per cent. Yet, some persons still have the audacity to say that social security is like private life insurance!

To Relieve the Pain

It is not an insurance program at all; it is a method of taxation. Instead of "premiums," the required payments are designated as social security *taxes*. That is no secret. Yet there remains something peculiarly deceptive about this particular method of tax collection which seems to give satisfaction to many of those who work and pay the tax. Nowadays a direct tax that can be recognized as such by the taxpayer is a rather crude and repulsive thing. Property owners have been taxed so heavily that many of them dislike the tax collector – a situation which can lead to all sorts of political complications. Where the citizens have grown accustomed to the idea of private ownership of property and the right of a man to the product of his own efforts, it is not politically expedient for the government to insist upon too much direct taxation. The majority won't stand for it. Politically, the government may dig heavily into the property of the wealthy few. But just let it try to tax heavily those citizens who constitute a voting majority! If the government expects to take a very high proportion of national income, it usually will search for

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

methods more ingenious than direct taxation. And the social security tax is loaded with ingenuity.

Wage Earners Must Pay

Government has become very expensive in the United States, currently taking more than a third of the total national income.

When government was less expensive, it was possible to finance it through property taxes or levies against the income from property. But that is no longer true. Less than one-sixth of the national income of the United States is derived from the returns to capital; the other 85 per cent represents the price paid for labor and managerial talent. Therefore, it is clear why the government seeks ways and means of taxing wages. Even if there were no promises of social security benefits, barely half of the other costs of government could be met out of a total confiscation of the income from private property. The only thing left to tax is the current productivity of those who work for wages and salaries.

True, the social security program is not the only reason why the government finds it necessary to tax wages. But let no one deceive himself that there is any way of financing the social security program and similar "benefits" from the welfare state except through proportionately heavy taxation of wages and salaries.

When a government scrapes the bottom of the barrel of personal savings and private property, then its final recourse is to the daily production of those who work for a living. The promise of social security is like an anesthetic which temporarily relieves the pain of those workers whose earnings are being taxed away. But if the patient regains consciousness, it will be to discover that the operation took something from him which was vital to life and liberty – destroyed some of his potential as an individual, leaving him more dependent upon government than before.

There is no denying that social leveling has a strong emotional and humanitarian appeal, not only for those who feel weak and dependent, but also for many who feel strong and noble. And few will deny the virtue of helping those who want and need assistance. But if any person would retain the freedom to determine his own needs in life, he must equally defend the freedom of every man to determine in his own way how to help others. The political or coercive route to security is not entirely a primrose path of something for nothing. What starts

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

out as a popular pastime of soaking the rich turns into a program of taxing everyone who works for a living. And as socialism advances, the weak and dependent find themselves competing with the youthful and strong who also have been driven by hunger to the public trough. Such competition in sheer desperation is far more ruthless than that which is sometimes frowned upon in the open market. When people lose respect for the lives and property of one another, then the weak and dependent may expect to be early victims of murder and theft.

A More Hopeful Choice

If the less productive members of a society truly seek security, let them rally to the defense of the freedom of choice and freedom of action of those who work for a living and who are personally productive. Let them voluntarily deal with one another in a market place kept free of compulsion. Such voluntary trading directs the instruments of production and the means of economic security into the hands of those most capable of serving all mankind. It promotes mutual respect for life and property. It stimulates every individual to develop his own talents to their maximum productivity. It encourages saving instead of squandering. The free market, and not its displacement by governmental controls, is the only route to the kind of personal security which makes for harmonious social relationships.

A feeling of personal security depends upon something more than the legal guarantee of a handout in time of need. Security is an attitude not necessarily satisfied by an "equal share" or even by an abundance of material goods and services. To be truly secure is to be without cause for anxiety, and that kind of security stems from the mind of an individual who knows that he has done his very best with what was properly his own. Such security is fed by one's respect for the rights of others to life and property, a respect upon which is based one's own claim to those rights.

Though older persons may not serve well in the armed forces, or in defense plants, or in the various other activities incidental to the support of big government, that need not preclude their being loved and respected as individuals. That is not sufficient reason for a law which tends to put an end to individuality and its expression at age 65. If the young men and women of today's generation have lost a sense of love and respect for their aging parents, that is something which the government cannot restore through its devices of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

compulsion. That is a form of insecurity which must be borne by parents if they have failed to teach their children to respect the sanctity of the individual and the rights to life and private property.

The same time-weathered code of ethics which advocates honoring one's father and mother recommends respect for the life and livelihood – the private property – of others. To violate any part of that code destroys the meaning of the rest of it. Society cannot enforce a law which guarantees security to the aged by denying the producer the right to the product of his own efforts. The best that society can do is to give the individual a chance to honor and respect his elders. This means allowing the individual his choice concerning the use to be made of his own life and his own productive efforts. It is possible for an individual to honor and respect others who are tolerant of his freedom to choose. But rare indeed is the individual who can extract love and honor from others by compulsory means!

Such things as love, respect, honor, and justice in the relationships between persons are measurable and meaningful only to the extent that individuals voluntarily reject an opportunity to dislike, disrespect, dishonor, or deal unjustly with others. And old-age security also falls into that category. Since a weak person cannot force a strong person to help him, it would seem wise to put the appeal on some basis other than coercion. This means retrieving the responsibility for old-age security from the hands of government. ◈

IDEAS ON LIBERTY

Moral Failure

THE DESTRUCTION, by whatever means – human stupidity or deliberate design, political corruption or public apathy, parental neglect or juvenile ridicule – of those moral standards which have sustained men through the ages will, I am sure, spell the doom of the American republic.

The story of the "Garden of Eden" is more than a fable. Important segments of mankind have been there many times. In each instance, the breakdown of moral standards because of man's unwillingness to take the responsibility of maintaining them was one of the principal contributing factors limiting man's length of tenure in the "garden."

HAROLD N. YOUNG, *Liberty and Responsibility*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

A Miracle at Stake

Leonard E. Read

The Constitution of the United States and the Bill of Rights more severely limited government than government had ever before been limited in the history of the world. And there were benefits that flowed from this severe limitation of the state.

Number One, there wasn't a single person that turned to the government for security, welfare, or prosperity because government was so limited that it had nothing on hand to dispense, nor did it then have the power to take from some that it might give to others. To what or to whom do people turn if they cannot turn to government for security, welfare, or prosperity? They turn where they should turn – to themselves.

There was another benefit that flowed from this severe limitation of government. When government is limited to the inhibition of the destructive actions of men – that is, when it is limited to inhibiting fraud and depredation, violence and misrepresentation, when it is limited to invoking a common justice – then there is no organized force standing against the productive or creative actions of citizens. As a consequence of this limitation on government, there occurred a freeing, a releasing, of creative human energy, on an unprecedented scale.

This was the combination mainly responsible for the "American miracle," founded on the belief that the Creator, not the state, is the endower of man's rights.

This manifested itself among the people as individual freedom of choice. People had freedom of choice as to how they employed themselves. They had freedom of choice as to what they did with the fruits of their own labor.

But something happened to this remarkable idea of ours, this revolutionary concept. It seems that the people we placed in government office as our agents made a discovery. Having acquisitive in-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

stincts for affluence and power over others – as indeed some of us do – they discovered that the force which inheres in government, which the people had delegated to them in order to inhibit the destructive actions of man, this monopoly of force could be used to invade the productive and creative areas in society – one of which is the business sector. And they also found that if they incurred any deficits by their interventions, the same government force could be used to collect the wherewithal to pay the bills.

I would like to suggest to you that the extent to which government in America has departed from the original design of inhibiting the destructive actions of man and invoking a common justice; the extent to which government has invaded the productive and creative areas; the extent to which the government in this country has assumed the responsibility for the security, welfare, and prosperity of our people is a measure of the extent to which socialism and communism have developed in this land of ours. ◈

The foregoing is an excerpt from the set of two LP recordings by Mr. Read, three sides of which deal with the *Essence of Americanism* – the gift of freedom, the loss of freedom, the rescue of freedom. The fourth side describes a series of suggested answers to various *Clichés of Socialism.*

This set of two records may be ordered from The Foundation for Economic Education, Irvington-on-Hudson, New York, at the special introductory price of $5.00.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

A. J. N. / MAN OF LETTERS

TO THOSE of us who cut our intellectual eyeteeth in the early nineteen twenties, Albert Jay Nock's *Freeman* was a great liberator. It was not that one necessarily perceived a marked degree of clarity about fundamental philosophy behind it, for its contributors included socialists and planners along with Single Taxers and free-wheeling libertarians. The sense of gay exhilaration that pervaded it, however, suggested that the editor was a self-starter — and when, in the middle of the nineteen thirties, Nock published his *Our Enemy, the State,* his devotees were blessedly open to entertain the idea that Mr. Roosevelt's New Deal was basically a trap. In retrospect one could see that *The Freeman* had been the great conservator of the idea of voluntarism: even its hospitality to socialist writers was to be understood as a civilized gesture to the First Amendment. Nock as editor had had his basic point of view — but aside from that he was willing to let well-written arguments proceed.

Nock, of course, had been a Single Taxer, which seemed to some of us to be neither here nor there in a country in which an abundance of land was traded on the open market and thus could hardly be engrossed. But the Single Tax was Nock's means to an end. The end itself was the free use of energy, the exercise of one's God-given rights without coercion by the state.

The Growth of Ideas

How had Nock's ideas been formed? Where, in a period of collectivist drift, had he gotten his education? In his own *Memoirs of a Superfluous Man* Nock indicated a rather clear line of progression: he had, as he said, studied Greek and Latin, which had given him historical insight into the reasons for the rise and decline of the two great ancient civilizations; he had been led to a profound contemplation of Mr. Jefferson's theory that where the state could do something *for* you, it could do something *to* you; and he had, after reading Henry

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

George, and Herbert Spencer's *The Man vs. the State,* been skeptical of Lincoln Steffens, Frederic Howe, Robert M. La Follette, and other early twentieth century reformers who proposed an increase in state power in specific fields that needed *ad hoc* attention. It was all a very neat and orderly education as Nock outlined it.

Well, the *Memoirs of a Superfluous Man* remains a great essay in self-understanding, but with the publication of *Selected Letters of Albert Jay Nock,* collected and edited by his son, Francis J. Nock (Caxton, $4), it becomes apparent that Nock, in writing his intellectual autobiography, remembered the grand contours and tended to forget the bumps along the way. The interesting thing about these letters, many of them written to Ruth Robinson, the illustrator of Nock's *Journey into Rabelais's France,* is that their author, like most of us, had to feel his way toward a mature theory of the proper limits of governmental power. Nock's reading of the Greek and Latin classics, of Jefferson's writings, of Spencer and Henry George and Gumplowicz and Franz Oppenheimer, may have been taken in orderly progression, but the meaning of what he read had seeped in at highly irregular intervals. And it was obviously experience rather than reading that brought Nock eventually to his mature way of looking at things.

First, a Reformer

In the beginning of his journalistic career, which started when he was some forty years old, Nock was more of a statist reformer than he preferred, in later years, to remember. As his son Francis points out, he was capable of writing in September of 1914 that "private gifts" of parks and playgrounds to a city tended "to blunt the city's sense of duty and corrupt its self-respect." Parks, so the Nock of 1914 thought, "should be municipal institutions in a complete sense, – a public investment that the city puts its money into because it is very much worthwhile to do so." Whatever one may think about the distinction between buying park land out of tax money and taking it for the municipality as a gift from an individual, the Nock who made the distinction was certainly not pondering Jefferson's theory that if the state could do something *for* you, it could by the same token do something *to* you. Parks, when they are not the result of free gifts, are made by exercise of eminent domain – i.e., forcible seizure by the political authority. One would have thought that

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Nock, as a Jeffersonian, would have *favored* acquiring parks through voluntary bequest.

Again, when Nock went to visit the city of Milwaukee during his journalistic tours in 1913 and 1914, he hoped to learn good things about "them way-up socialists" who had captured the municipal government. It seems to have been this visit to Milwaukee that started Nock's disillusionment with what the reformers of Lincoln Steffens's generation were doing. In a letter to Ruth Robinson he wrote that "chasing up the record of the socialists all day" had been "a discouraging job." Though he looked diligently for a record of accomplishment on which to base "a few good words," he discovered that the socialists had "played politics as diligently as anybody" and "worked the spoils system for about all it was worth." His final sad words about the Milwaukee socialists were that "they talked themselves out of office."

Nock's disappointment with Milwaukee under municipal socialism did not complete the education that would lead him to become the foremost advocate of voluntarism of his generation. Moving on toward Calumet, Michigan, on his journalistic wanderings, he expected to make out a case against the owners of the copper mines. He had heard that the New England stockholders in Calumet and Hecla, "first cousins . . . [to] the copperhead snake," had "made 1,600 per cent profit year after year" by exercising "as absolute rights as any feudalistic power of the Middle Ages." This, he wrote to Ruth Robinson, was enough to make one "wonder whether it was a good thing to hand over our natural resources to private development."

Well, when Nock finally arrived in Calumet in the middle of a blizzard in January of 1914, he found that "conditions of labour have been shockingly misrepresented." The mine manager, it turned out, was a fine fellow, the townspeople "are a fine set." Both sides to the controversy over wages "treated me as well as one could possibly be treated, and I saw no distress or violence except one little mess on a streetcar I was on." So, instead of blasting the mine owners of Calumet as he had expected to do, Nock left northern Michigan feeling that "there is plenty to say about the situation, giving everybody full credit all around, without telling . . . horrid falsehoods."

It was while covering stories for the reforming and muckraking magazines that Nock really got his libertarian education. The facts of life gradually illuminated the theory he found in the liber-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tarian books. What he saw in Milwaukee, in northern Michigan, in Detroit, and in Cleveland was eventually supplemented by a journalistic experience in Europe during the early years of World War I. When the time to start *The Freeman* had rolled around, Nock was writing (to Francis Neilson in November of 1919) that "socializing industry means nothing but increasing the number of your shareholders." In good Henry George fashion he appended a few words about "economic rent" devouring "socialized industry just as it devours capitalist industry." But he was no longer capable of blaming the capitalists for the woes of the world.

Cats and Dogs and Liberty

The Nock letters, whether they are to Ruth Robinson or Brand Whitlock or H. L. Mencken or Paul Palmer, show the "educable" man in action. And it was always an amused and amusing man who allowed events to confirm or reject his theories. Nock did not believe in banging people over the head to convince them. His letter to Bernard Iddings Bell in June of 1944 shows the Nock whimsy at its most playful. "As against the dog," he wrote Bell, "I am in favour of the cat, having had largely to do with both in my time. The dog is nature's prize collectivist and authoritarian; he has the slave-mentality and can't be happy out of servitude, a natural-born New Dealer, you know, utterly lovable and devoutly given to all good works, y'understand, but a ding-busted fool like your friend H. . . . The cat, on the other hand, has oodles of self-respect and is bung-full of dignity. He . . . has no illusions about the social order. The greatest good of the greatest number does not interest him. He takes no stock in any scheme of enforced cooperation . . . So one is bound to respect the cat, though one may not like him . . . It is the vestiges of the early Socialism and authoritarianism still at work within your *Unbewusstsein* which sets you against the cat. Have you noticed that his friends are always the great libertarians, Mark Twain, du Pont de Nemours, etc., and that it is the individualist liberty-loving peoples with whom he is ace-high, the Belgians, French, Moors, Chinese? There is reason in all this."

This would hardly do as a Ph.D. thesis on the influence of animals on history, for the Chinese, despite respect for the cat, went communist anyway. But it was Nock's way of bringing principles to the attention of a correspondent. Nock never stood on a soap box, which is one reason why his voice is still heard. ◈

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

▶ THE ULTIMATE FOUNDATION OF ECONOMIC SCIENCE by Ludwig von Mises (D. Van Nostrand Company, 148 pp., $4.50).

Reviewed by Percy L. Greaves, Jr.

THE SCIENCE OF ECONOMICS has been erected, step by step, on a foundation of such simple, but fundamental, premises as the following:

"The characteristic feature of man is action . . . purposive action . . . conscious behavior. . . . To act means: to strive after ends, that is, to choose a goal and to resort to means to attain the goal sought. . . .

"Actions are directed by ideas, and ideas are products of the human mind. . . . Theory . . . is the search for constant relations between entities or, what means the same, for regularity in the succession of events. . . . Causality . . . is a priori not only of human thought but also of human action. . . . Cognizance of the relation between a cause and its effect is the first step toward man's orientation in the world and is the intellectual condition of any successful activity. . . .

"Man meditates about the conditions of his own self and of his environment, devises states of affairs that, as he believes, would suit him better than the existing states, and aims by purposive conduct at the substitution of a more desired state for a less desired that would prevail if he were not to interfere."

The above quotations are from the new book by Ludwig von Mises, world renowned author of *Human Action* and a dozen other books no economist should ignore. His latest volume not only probes the basic roots of all human action, but also exposes the ill-founded basis of some key fallacies that now stand in the way of human progress.

"Economic progress," as Mises writes, "is the fruit of the endeavors of the savers, of the inventors, and of the entrepreneurs." Where there is no inflation or credit expansion the "progressive accumulation of capital and the improvement of technological methods of production that it engenders would result in a progressive drop in prices. . . . The amount of goods available for consumption would increase and the average standard of living would improve, but these changes would not be visible in the figures of national income statistics.

"The concept of national income entirely obliterates the real conditions of production within a market economy. . . . The 'national income' approach is an abortive attempt to provide a justification for the Marxian idea

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

that under capitalism goods are 'socially' produced and then 'appropriated' by individuals. It puts things upside down. In reality, the production processes are activities of individuals cooperating with one another. Each individual collaborator receives what his fellow men – competing with one another as buyers on the market – are prepared to pay for his contribution."

Among the other myths that Mises smashes is the anarchists' dream of a peaceful society without any government. He points out that "man alone among all living beings consciously aims at substituting social cooperation . . . for the law of the jungle. However, in order to preserve peace, it is, as human beings are, indispensable to be ready to repel by violence any aggression, be it on the part of domestic gangsters or on the part of external foes. Thus, peaceful human cooperation, the prerequisite of prosperity and civilization, cannot exist without a social apparatus of coercion and compulsion, i.e., without a government."

Mises also explodes once more the still popular myth that "one man's gain is necessarily another man's loss." This Mercantilist doctrine, traceable to Aristole, is still the basic fallacy of many protectionists, as well as those who worry about an unfavorable balance of trade or payments.

"In the market economy the better people are forced by the instrumentality of the profit-and-loss system to serve the concerns of everybody. . . . In its frame the most desirable situations can be attained only by actions that benefit all the people. The masses, in their capacity as consumers, ultimately determine everybody's revenues and wealth. . . . What pays under capitalism is satisfying the common man, the customer. The more people you satisfy, the better for you.

"This system is certainly not ideal or perfect. There is in human affairs no such thing as perfection. But the only alternative to it is the totalitarian system, in which in the name of a fictitious entity, 'society,' a group of directors determine the fate of all people."

This little book deserves to be read and inwardly digested by all who seek enlightenment on the economic and political problems of our times. If it is, economics will again be taught in our colleges, and mass media will present a more realistic interpretation of world events. Political interferences with the moral actions of men will gradually disappear, while living standards will advance by leaps and bounds. ◈

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

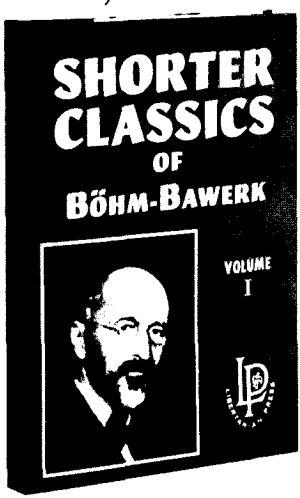
That Revolution in Economics!

(known as Neoclassicism)

Are you open minded; have you capability of changing your mind when presented with decisive evidence?

1. Do you believe that the *total cost* of something determines its *price?* If so, you are probably lost still in the confused reasoning of the *classical* economists. Graduate to being a *neoclassical* economist. See Essay V, *The Ultimate Standard of Value.*

2. Or do you believe that *one element in cost* (that *one* element *only,* namely, *labor* — the activity of a workman) determines prices? (As in the case of Number 1, many businessmen will say YES, but they may add a hesitant "but . . ." However, it is Karl Marx who is the leading exponent of this theory, that *one* form of cost *determines* prices, namely, that form which consists in labor. But Marx was wrong on this. The answer to the question is NO, the "labor content" of cost does not determine either value or price. See Essay IV, *Unresolved Contradiction in the Marxian Economic System.* Substitute reading this for Marx's *Das Kapital,* which you may not be able to understand anyway; and save yourself much time.



3. Do you think Kennedy has won, or will win, the steel price controversy? For the answer to that question, read Essay III, *Control or Economic Law?.* This essay poses the problem and answer whether business monopolies, labor monopolies, legislatures, presidents, kings or dictators can overwhelm economic *law.*

4. Words instead of reality! Economics has been afflicted, as other sciences, with ideas which have no substance. What, indeed, qualifies something as an *economic good?* Schopenhauer declared, "Truth is in the depths." Bohm-Bawerk probes the depths in regard to what is and what is not an economic good; read Essay II, *Whether Legal Rights and Relationships Are Economic Goods.*

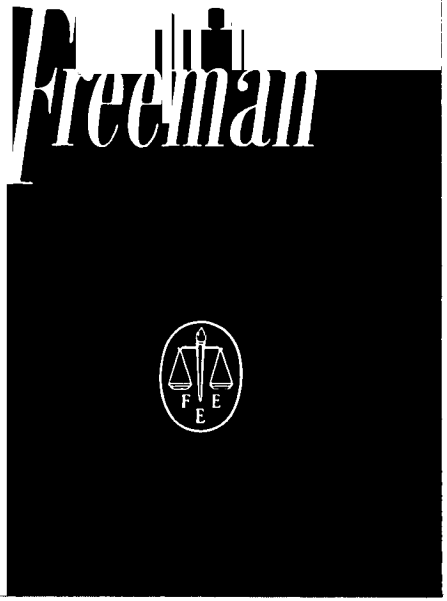
5. Who are among the greatest *Neoclassicists?* What are *their* ideas? For the answer, read Essay I, *The Austrian Economists.*

SHORTER CLASSICS OF BÖHM-BAWERK

392p. $7.50 1962 Five Essays

Order from: Dept. B, LIBERTARIAN PRESS, South Holland, Illinois, U.S.A.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



THE FREEMAN may be forwarded anywhere in the U. S. A. No wrapper required.

From:

ON LAW AND FREEDOM

■ . . . . however it may be mistaken, the end of law is not to abolish or restrain, but to preserve and enlarge freedom. For in all the states of created beings capable of laws, where there is no law there is no freedom. For liberty is to be free from restraint and violence from others, which cannot be where there is not law. . . .

The freedom then of man, and liberty of acting according to his own will, is grounded on his having reason, which is able to instruct him in that law he is to govern himself by, and make him know how far he is left to the freedom of his own will.

JOHN LOCKE
Two Treatises on Civil Government (1690)

To: _____

street _____

city _____ zone _____ state _____

PLACE 4½-CENT POSTAGE HERE

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED